83D CONGRESS
1ST SESSION

H. R. 6672

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 1953

Mr. REED of New York (by request) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Second Liberty Bond Act, as amended, is amended by striking out "$275,000,000,000" and inserting in lieu thereof "$290,000,000,000".

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CONGRESS
1st Session

H. R. 6672

A BILL

To increase the public debt limit.

By Mr. Reed of New York

July 30, 1953

Referred to the Committee on Ways and Means

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 3, 1953
For actions of July 31 & Aug. 1, 1953
83rd-1st, Nos. 145 and 146

CONTENTS

HIGHLIGHTS: Congressional action was completed on bills to reorganize FCA, provide famine relief, permit refugee immigration, expand crop insurance, study weather control, modify reclamation units, require penalty-mail payments, authorize forest loans, transfer cotton field station, extend fur-farmer loans, extend Mexican farm-labor program. House adopted conference reports on supplemental appropriations, foreign-aid appropriations, trade agreements. House passed bills to increase debt limit and modify corn and cotton quotas. Senate passed farm-tenant interest bill. Congress received President's messages on conservation and social security. Senate received Benson letter asking farm-program recommendations. House committee reported onion-marketing and potato-support bills. Bills were introduced on grazing procedures, soil-water conservation, and surplus disposal.

HOUSE - July 31

1. DEBT LIMIT. Passed, 239-158, without amendment H. R. 6672, increasing the U. S. statutory debt limit from $275 billion to $290 billion (pp. 10964-87, 11009).

2. FAMINE RELIEF. Agreed, 143-15, to the conference report on S. 2249, to enable the President, during the period ending Mar. 15, 1954, to furnish to peoples friendly to the U. S. emergency assistance in meeting famine or other urgent relief requirements. The overall limitation of $100,000,000 remains, but the limit of $20,000,000 for any one country was eliminated. Language was inserted to make it clear that the authority of CCC to deliver commodities under the bill is limited to the delivery of such commodities aboard vessels in U. S. ports. Therefore, all costs incurred in making delivery of the commodities after they have been placed on board will have to be paid either by the recipient countries or from MSA or other funds, and the $100,000,000 limit will apply only to CCC investment and costs. Because of this action the conferees eliminated the provision that at least half of the shipments be made on U. S.-flag ships, since MSA already follows this policy. (pp. 10992-3).

3. IMMIGRATION. Agreed, 190-44, to the conference report on H. R. 6481, to admit into the U. S. for permanent residence up to 214,000 refugees, orphans, and certain close relatives of U. S. citizens and aliens admitted for permanent residence (pp. 10988-991).

4. FCA REORGANIZATION. Agreed to the conference report on H. R. 4353, to reorganize the Farm Credit Administration, etc. (pp. 10991-2). For provisions of report, see Digest 144.

5. COTTON ALLOTMENTS. Passed without amendment H. R. 6665, which provides that the national cotton acreage allotment for 1954 will be 22,500,000 acres (basic), that no State will receive an acreage cut of more than 29.5% below its 1952 acreage (the acreage for this is to be in addition to the national allotment), that State acreage reserves shall be used in addition to other purposes for correcting inequities in farm allotments, that with the approval of the Secretary of Agriculture county committees may apportion farm acreage allotments on the basis of previous farm history, and that for 1954 and 1955 any part of the acreage allotted to any farm which is voluntarily surrendered by the operator of that farm may be reallocated to other farms in the county (pp. 10932-40). The bill had been reported without amendment by the Agriculture Committee earlier in the day (H. Rept. 1058)(p. 11009).

6. PERSONNEL. Agreed to a Senate amendment to H. R. 6185, to require that veterans attain a passing grade before becoming eligible for civil-service appointments (pp. 10963-4). This bill will now be sent to the President.

7. FARM LABOR. Received the conference report on H. R. 3480, to extend the Mexican farm-labor program. The conferees agreed on an extension for 2 years instead of the House period of 3 years and the Senate period of 1 year. (p. 10993.)

8. SAFETY. Received the conference report on S. 1105, to incorporate the National Safety Council (pp. 10993-5).

9. COMMODITY EXCHANGES. The Agriculture Committee voted to report (but did not actually report) H. R. 6435, to extend the Commodity Exchange Act to onions (p. D823).

10. POTATO SUPPORTS. The Agriculture Committee ordered reported (but did not actually report) H. R. 3895, to remove the prohibition against price supports on Irish potatoes (p. D823).

11. CORN QUOTAS. The Agriculture Committee ordered reported (but did not actually report) H. J. Res. 321, to amend the Agricultural Adjustment Act with respect to the date of the proclamation of corn marketing quotas. The "Daily Digest" states: "Under the present law the Secretary of Agriculture must determine whether or not such quotas are necessary and make his proclamation not later than November 15 of the year prior to that in which quotas are to be invoked. This measure will postpone the 1954 proclamation until February 1, 1954, and is designed to give Congress an opportunity to reexamine the quota law before the Secretary is required to make his determination." (p. D823.)

12. FOREIGN-AID APPROPRIATION BILL, 1954. Agreed, 237-156, to the conference report on this bill, H. R. 6391, and acted on amendments in disagreement (pp. 10920-8). For provisions of the report see Digest 144.

13. CONSERVATION. Received from the President a message favoring additional conservation and development of land and water resources, etc. (H. Doc. 221)(pp. 90928-9).

83d Congress 1st Session } HOUSE OF REPRESENTATIVES { Report No. 1064

DEBT LIMIT OF THE UNITED STATES

July 31, 1953.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. Reed of New York, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H. R. 6672]

The Committee on Ways and Means, to whom was referred the bill (H. R. 6672) to increase the public debt limit having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

GENERAL STATEMENT

Present law in section 21 of the Second Liberty Bond Act, as amended (31 U. S. C. 757b), provides for a limit of $275 billion on the amount of the public debt securities which may be outstanding at any one time. The bill would increase this limit to $290 billion.

The enactment of this legislation has been requested by the President. In his message to Congress on July 30, 1953, the President said in part:

> Despite our joint vigorous efforts to reduce expenditures, it is inevitable that the public debt will undergo some further increase.
>
> On June 30 last the public debt was $266 billion. To meet the Government's cash requirements for this current quarter it was necessary to borrow over $6 billion in July, bringing the national debt to over $272 billion. To meet necessary expenditures and to maintain a safe working balance of funds it will be necessary to borrow more money before the next session of the Congress. This will carry the debt above the present legal limit of $275 billion.
>
> Under present circumstances, the existing statutory debt limit is so restrictive that it does not allow the financial operating leeway necessary to conduct the Government's fiscal affairs effectively. This is specific with respect to the seasonal variations of Federal receipts and disbursements and also in view of the uncertainty as to the future income and expenditure levels.

Your committee is reluctantly compelled to conclude that H. R. 6672 should be promptly enacted.

With respect to the fiscal year 1954 it appears inevitable, even on the basis of the most optimistic estimates, that the public debt on

26006

December 31, 1953, will be at least $2 billion in excess of the present statutory ceiling if the Government is to meet its financial obligations.

At the present time the national debt is slightly over $272 billion, less than $3 billion under the ceiling. Government receipts during the balance of calendar year 1953 will be substantially less than expenditures. Because of the effect of the Revenue Act of 1950 the collection of corporate taxes has been speeded up so that the Government has already collected three-fourths of the corporate taxes due for the calendar year 1953. This leaves only one-fourth of such taxes to be collected in the second half of the calendar year 1953—the first half of the fiscal year 1954. Conversely, with respect to Federal expenditures, the large carryover of commitments against unexpended balances of appropriations means that there will have to be continued large payments for goods to be delivered during the last half of the calendar year 1953 at the very time when receipts are at their lowest level. The deficit for the first half of the fiscal year 1954 is estimated at $10,500 million. In view of these factors, it is estimated that the debt of the Federal Government subject to the ceiling will be at least $277 billion at the end of the calendar year 1953.

Looking ahead to the fiscal year 1955, it is to be anticipated that the seasonal pattern of budget deficit and surpluses will be accentuated, regardless of planned reductions in appropriations and expenditures. This will be caused first, by the fact that the accelerated corporate tax collection plan will force a still greater proportion of the corporate tax collections into the first half of the calendar year 1954 than it did in 1953 and second, by an anticipated continuous decline of the rate of expenditure in the last half of the fiscal year 1955 (the first half of calendar year 1955), at which time receipts will be again at a maximum. The outlook for Federal revenues for the fiscal year 1955 is further complicated by the fact that the tax program governing the revenues for that year has not been developed by the Congress, although your committee is at the present time engaged in a comprehensive study of this subject. However, even though your committee is convinced that the budget must and will be balanced for the fiscal year 1955, the first half of such fiscal year will show a very substantial budget deficit which will force the public debt very substantially over the present $275 billion statutory limit.

Your committee cannot ignore the fact that revenues and expenditures cannot be forecast with precision. Thus the May estimate of receipts for the current fiscal year, amounting to $68,500 million upon which the estimates of anticipated deficits are based, has not been revised in spite of disappointing collections in March and June. Actual revenues will depend upon the level of economic activity. The figures in your committee's report with respect to the anticipated deficit are based upon the assumption that economic activity will be at an even higher level than at present. Should the assumption as to the high level of economic activity turn out to be incorrect, the actual deficit might be very substantially increased. The uncertainty in receipts is emphasized by the fact that the actual receipts in the last fiscal year were $3,500 million below the estimates made last January.

Expenditures are also subject to large and unexpected fluctuations. Last January, for example, expenditures by the Commodity Credit Corporation were estimated at $803 million for the fiscal year ending

in June. Expenditures actually amounted to $1,880 million. Recent experience shows that, to be conservative, a margin of $1 billion for errors in estimates of receipts and $1 billion in estimates of expenditures should be allowed for the period of the next 6 months.

Your committee is convinced that there is no merit to the contention that the Government's cash balance would permit it to operate safely without exceeding the present debt limit. The Government's present cash balance is approximately $8,800,000,000. If we assume that the Government borrowed up to the legal limit, it could increase this balance by perhaps an additional $3 billion, making a maximum total of $11,800,000,000. However, as noted above, the most optimistic deficit for the first 6 months of the fiscal year 1954 is $10,500,000,000. Of this amount $2 billion has already been incurred leaving a further deficit to be incurred within the period of $8,500,000,000. This means that even under the most favorable conditions, the Government could not have over $3,300,000,000 ($11,800,000,000 less $8,500,000,000) on December 31, 1953. Three billion three hundred million dollars is approximately the amount the Government spends in 10 working days. In view of the fact that, as emphasized above, there are any number of factors which indicate that Government expenditures may be substantially greater and receipts substantially less than the estimated figures, your committee would be unwilling to gamble with the fiscal security of the Nation by failing to accede to the President's request.

Your committee further believes that, in view of the current level of expenditures, prudent fiscal policies require the Government to maintain cash reserves at an average figure of approximately $6 billion in order to protect against unforeseen contingencies. Certainly it would be difficult for a conservatively managed private business to operate on a slimmer margin than this.

In view of the foregoing, your committee has concluded that under present circumstances the existing statutory debt limit is so restrictive that it does not allow the financial operating leeway necessary in order to conduct the Government's fiscal affairs in a conservative manner. In this connection, it should be noted that any question as to whether the Government has the authority under the existing debt ceiling to issue Government debt securities could substantially impair the marketability of such securities and the Government's credit generally.

Your committee has received the assurances of the Secretary of the Treasury and the Director of the Bureau of the Budget, and is confident that the raising of the limit on our national debt will in no way derogate from continued and intensified efforts to curtail Federal expenditures.

H. R. 6672 has the approval of the Department of the Treasury and while your committee deplores the facts which have made it necessary, it believes that such facts must be recognized and recommends its prompt passage.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted

is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECOND LIBERTY BOND ACT

* * * * * * *

SEC. 21. The face amount of obligations issued under authority of this Act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate **[**$275,000,000,000**]** *$290,000,000,000* outstanding at any one time. The current redemption value of any obligation issued on a discount basis which is redeemable prior to maturity at the option of the holder thereof shall be considered, for the purposes of this section, to be the face amount of such obligation.

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Union Calendar No. 404

83d CONGRESS
1st Session

H. R. 6672

[Report No. 1064]

IN THE HOUSE OF REPRESENTATIVES

July 30, 1953

Mr. Reed of New York (by request) introduced the following bill; which was referred to the Committee on Ways and Means

July 31, 1953

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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A BILL

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Second Liberty Bond Act, as amended, is amended by striking out "$275,000,000,000" and inserting in lieu thereof "$290,000,000,000".

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Union Calendar No. 404

83D CONGRESS
1ST SESSION

H. R. 6672

[Report No. 1064]

A BILL

To increase the public debt limit.

By Mr. REED of New York

JULY 30, 1953

Referred to the Committee on Ways and Means

JULY 31, 1953

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

83d Congress
1st Session
HOUSE OF REPRESENTATIVES
Report
No. 1063

CONSIDERATION OF H. R. 6672

July 31, 1953.—Referred to the House Calendar and ordered to be printed

Mr. Allen of Illinois, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 375]

The Committee on Rules, having had under consideration House Resolution 375, report the same to the House with the recommendation that the resolution do pass.

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House Calendar No. 142

83D CONGRESS
1ST SESSION

H. RES. 375

[Report No. 1063]

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1953

Mr. ALLEN of Illinois, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

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RESOLUTION

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6672) to increase the public debt limit, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee

V

on Ways and Means, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

House Calendar No. 142

83D CONGRESS
1ST SESSION

H. RES. 375

[Report No. 1063]

RESOLUTION

Providing for the consideration of H. R. 6672, a bill to increase the public debt limit.

By Mr. ALLEN of Illinois

JULY 31, 1953

Referred to the House Calendar and ordered to be printed

should stay in session and give this serious matter the consideration it deserves. I am in no hurry to adjourn, myself, and I shall therefore vote against the motion to adjourn when it comes. The solvency of our Government, I believe, should be of far more concern to us than adjournment, and I hope a majority of the Members will share this view.

SHIP CONSTRUCTION

Mr. WEICHEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H. R. 6441) to amend certain provisions of title XI of the Merchant Marine Act, 1936, as amended, to facilitate private financing of new ship construction, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

Be it enacted, etc., That section 1103 of the Merchant Marine Act, 1936, as amended (U. S. C., title 46, sec. 1273), is amended by inserting "(a)" after the section number; and by inserting after the word "provided" and before the words "any mortgage offered" the words "90 per centum of the unpaid balance of"; and by striking out the last sentence thereof, and inserting at the end of the section the following:

"(b) The Secretary of Commerce is further authorized under such terms and conditions as he may prescribe not inconsistent with the provision of this title, to insure against loss not to exceed 90 per centum of the unpaid balance of principal of loans and advances of credit made to finance the construction, reconstruction, or reconditioning of vessels with respect to which he is authorized to provide mortgage insurance under sections 1101 to 1109, inclusive.

"(c) The aggregate amount of insurance of principal obligations of all mortgages and loans under this title and outstanding at any one time shall not exceed $100,000,000."

SEC. 2. Section 1104 (a) (2) and (8) of such act, as amended (U. S. C., title 46, sec. 1274), as amended—

(1) by inserting in paragraph (2) after the words "financed by the load or advance" the following "or, in the case of vessels constructed under title V of this Act, involve an obligation in a principal amount which does not exceed 75 per centum of the cost of the vessel (exclusive of construction-differential subsidy and cost of national-defense features),";

(2) by inserting in paragraph (8) after the words "new loan or advance made to aid in financing" the words "construction of vessels under title V of this Act, as amended, or";

(3) by amending clause (c) of paragraph (8) to read as follows: "in foreign trade."

SEC. 3. Section 1105 of such act, as amended (U. S. C., title 46, sec. 1275), is amended to read as follows:

"SEC. 1105. (a) (1) In the event of the failure of the mortgagor to pay the principal or interest under an insured mortgage giving the mortgagee the right to foreclose, and failure on the part of the mortgagor to correct the default within 30 days, the mortgagee, provided an assignment of the mortgage and of the notes, bonds, or other evidences of indebtedness secured by the mortgage, and of all collateral held by the mortgagee securing such mortgage be tendered to the Secretary of Commerce at or before the expiration of 45 days from the date of such default, shall thereupon have the right to demand payment of the insured portion of the unpaid balance of principal of said mortgage. If within a period of 60 days from date of such default, the Secretary of Commerce finds that there has been a failure to pay principal or interest under the mortgage or that such failure has not been corrected within the said 30 days, he shall accept the assignment and promptly pay to the mortgagee the insured amount of the unpaid balance of principal of the said mortgage. Upon acceptance of such assignment, the obligations of the mortgagee to pay the premium charges for insurance shall cease.

"(2) In the event of the failure of the borrower to pay principal or interest due under an insured loan, the lender shall have the benefits of insurance against loss provided under section 1103 (b) of this title upon compliance with the terms and conditions of such insurance.

"(b) Any amount required to be paid by the Secretary of Commerce pursuant to subsection (a) shall be paid out of the fund to the extent that fund are available therein at the time such payment becomes due, and to the extent such funds are not available, the Secretary of Commerce shall pay to the assignor of the insured mortgage any amount required to fully satisfy the claim, which amount is hereby authorized to be appropriated out of any money in the Treasury not otherwise appropriated.

"(c) The Secretary of Commerce shall cause the mortgage to be foreclosed and shall repossess the mortgaged vessel forthwith, and take such other action against the mortgagor or any other parties liable under the mortgage or the collateral, that, in his discretion, may be required to protect the interests of the United States and the insured lender, as they may appear, and such suits may be brought in the name of the United States, or in the name of the insured lender or assignee, and such lender or assignee shall make available to the United States all records and evidence necessary to prosecute any such suit. The Secretary of Commerce shall have the right in his discretion to accept a conveyance of title to and possession of the vessel from the mortgagor, and in the event of a sale under foreclosure proceedings, may purchase the vessel for an amount not greater than the insured portion of the unpaid balance of such mortgage or loan. In the event the Secretary of Commerce shall receive through the sale of the vessel or other collateral assigned to him an amount of cash in excess of the amount of any payment under section 1105 (a) (1) and the expenses of collection of such amount, he shall pay to the insured lender such cash amount, but not in excess of 10 percent of the unpaid principal amount of such loan or mortgage, and unpaid interest to which the lender is entitled under the loan.

"(d) Notwithstanding any other provision of law relating to the acquisition, handling, or disposal of property by the United States, the Secretary of Commerce shall have the right in his discretion to complete, recondition, reconstruct, renovate, repair, maintain, operate, charter, or sell any property acquired by him pursuant to the assignment as provided in this section and may place the mortgaged vessel in the national defense reserve or may sell the same upon competitive bids for not less than the minimum sales price provided by the Merchant Marine Act, 1936, as amended. The buyer shall be required to make cash payment to the Secretary of Commerce of not less than 25 percent of the sale price, and the balance shall be paid in equal annual installments over the remaining period of the expected useful life of such vessel. Interest at the rate of 3½ percent per annum shall be paid on all such installments of the purchase price remaining unpaid. The Secretary shall also have the power to pursue to final collection, by way of compromise or otherwise, all claims against mortgagors or persons liable under collateral assigned to the Secretary of Commerce as herein provided.

"(e) Any contract or commitment of insurance entered into by the Secretary of Commerce under this title shall be final and conclusive and shall not be subject to avoidance by any officer, employee, or agent of the United States, except in case of fraud, duress, or mutual mistake of fact."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

PUBLIC HOUSING ADMINISTRATION

(Mr. SIKES asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Speaker, it is my belief that the Public Housing Administration is playing politics to cover up its own failure to do a proper job. I base this statement on an AP dispatch from Atlanta, datelined July 29, in which a spokesman for PHA said housing aid would be halted for 19 Florida cities as the result of this year's fiscal action by Congress. Actually there is no housing aid to halt. There is nothing but a lot of empty promises.

The truth of the matter is the Public Housing Administration has been dragging its heels for 2 or 3 years on the Florida program. During that time it has encouraged many cities to make application for housing, then done nothing about their requests. This has been particularly true for the smaller cities. I suspect the same situation is true in many other parts of the Nation.

I have attempted to help these communities and I have asked PHA many times whether these applications would be approved if Congress authorized additional units for the next fiscal year. I have not received assurance from any source that units would be set aside for the smaller cities. PHA just does not want to be bothered with them beyond the point of building up a big list of applications.

In my book, PHA has made a mess and is now trying to get out from under it by blaming everything on Congress.

AMENDMENT OF VETERANS' PREFERENCE ACT OF 1944

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 6185) to amend the Veterans' Preference Act of 1944 with respect to preference accorded in Federal employment to disabled veterans, and for other purposes, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

Strike out all after the enacting clause and insert: "That (a) section 3 of the Veterans' Preference Act of 1944, as amended, is amended to read as follows:

"'SEC. 3. In all examinations to determine the qualifications of applicants for entrance into the service 10 points shall be added to the earned ratings of those persons included under section 2 (1), (2), (2), and (5), and

5 points shall be added to the earned ratings of those persons included under section 2 (4) and (6), who have received a passing grade. In examinations for positions of guards, elevator operators, messengers, and custodians, and in examinations held prior to December 31, 1954, for positions of apprentices, competition shall be restricted to persons entitled to preference under this act as long as persons entitled to preference are available. In examinations for such positions as may from time to time be determined by the President, competition shall be restricted, during the period beginning with the effective date of this act and ending with the expiration of the authority to induct persons into the Armed Forces under the Universal Military Training and Service Act, as amended, to persons entitled to preference under this act.'

"(b) Section 7 of such act, as amended, is amended to read as follows:

" 'SEC. 7. The names of preference eligibles who have received a passing grade shall be entered on the appropriate registers or lists of eligibles in accordance with their respective augmented ratings, and the name of a preference eligible shall be entered ahead of all others having the same rating: *Provided*, That except for positions in the professional and scientific services in grade 9 or higher of the General Schedule of the Classification Act of 1949, as amended, the names of all qualified preference eligibles who have a compensable service-connected disability of 10 percent or more, and who are entitled to 10 points in addition to their earned ratings, shall be placed at the top of the appropriate civil-service register or employment list, in accordance with their respective augmented ratings.'

"SEC. 2. The first proviso in section 8 of the Veterans' Preference Act of 1944 is amended by striking out the word 'considered' and inserting in lieu thereof the words 'shall be complied with.'

"SEC. 3. Nothing in this act shall be construed to take away from any preference eligible who files an application before the date on which this act takes effect any preference in connection with such application which he would have been entitled to under provisions of law in effect immediately prior to such date.

"SEC. 4. This act shall take effect on the 60th day after the date of its enactment."

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have an explanation of the amendment?

Mr. REES of Kansas. It is only a question of the date. Instead of 2 years, it ends December 31, 1954.

The SPEAKER. Is there objection to the request of the gentleman from Kansas [Mr. REES]?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RAISING NATIONAL-DEBT LIMIT

Mr. ALLEN of Illinois. Mr. Speaker, by direction of the Committee on Rules, I call up the resolution (H. Res. 375) providing for the consideration of H. R. 6672, a bill to increase the public-debt limit, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6672) to increase the public-debt limit, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Ways and Means, the bill shall be considered as having been read for amendment. No amendment shall be in order to said bill except amendments offered by direction of the Committee on Ways and Means, but said amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit.

Mr. ALLEN of Illinois. Mr. Speaker, I yield 30 minutes to the gentleman from Virginia [Mr. SMITH].

Mr. Speaker, this rule provides for 2 hours of general debate. It is a closed rule, but it permits the Committee on Ways and Means to offer any amendment. It also provides for one motion to recommit. Mr. Speaker, perhaps someone will object because this is a closed rule, but I will say that back in 1932 when I first came to the Congress the debt limitation was $30 billion, and over a period of time the debt limitation was at one time raised to $300 billion. I repeat this because during the considerations of other debt limitation bills, this is the procedure which was followed by my good friends on the right hand side of the aisle.

CALL OF THE HOUSE

Mr. BROOKS of Louisiana. Mr. Speaker, I think this is very important, and at the suggestion of others of my colleagues, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and seventy-three Members are present, not a quorum.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 118]

Bolton, Frances P.	Dolliver	Miller, Nebr.
Boykin	Fogarty	Morrison
Buckley	Golden	Norblad
Bush	Gordon	O'Hara, Minn.
Carnahan	Gregory	Pillion
Case	Hébert	Powell
Celler	Kearney	Reed, Ill.
Chatham	Kilburn	Regan
Cooley	Kilday	Schenck
Coon	Kluczynski	Shafer
Dague	Lyle	Spence
Dies	McVey	Taylor
Dingell	Machrowicz	Watts
	Martin	

The SPEAKER. On this rollcall 391 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

DR. HAMDI AKAR

Mr. WALTER. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H. R. 3396) for the relief of Dr. Hamdi Akar, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment, as follows:

In line 7, after the word "fee.", strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available."

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

RAISING NATIONAL-DEBT LIMIT

Mr. ALLEN of Illinois. Mr. Speaker, before the quorum call I had stated that the rule on this debt limitation provides for 2 hours of general debate. It is a closed rule, but it permits the Committee on Ways and Means to offer amendments. It also provides for one motion to recommit.

I am hopeful that this matter will not become partisan. As I said before the quorum call, when I came to Congress back in 1932 the debt limitation was $30 billion. That gradually went up under the leadership of my good friends on the right to $300 billion.

I say this matter was gone into in a nonpartisan manner. I know that was the case back in 1940, and I am thinking about that because it might be possible, although I hope it is not true, that there will be some question about the procedure in connection with the matter before us. Back in 1940, when my friends on the right under a Democratic administration raised the debt limitation, that bill was passed by a voice vote.

Then on March 10, when they raised it from $65 billion to $125 billion, the vote was 367 on the rollcall for it, without 1 vote against it. There was no rule in regard to that bill. In 1944, when it was raised to $260 billion, again there was no partisanship. The bill was passed by voice vote. There was no rule, and the bill was brought up by unanimous consent.

On March 8, 1945, the debt limit was raised from $260 billion to $300 billion, again there was no rule. The bill was brought up by unanimous consent, and on the rollcall vote there were 356 for and only 4 opposed, and as I recall, 1 of the 4 opposed was my good friend, Bob Rich, of Pennsylvania.

On June 17, 1947, when the debt limitation proposition was again before the Congress, it again was taken care of in a nonpartisan manner by voice vote.

I repeat, in 1941 when that original bill was brought up, it was brought up by unanimous consent. In 1942, again

there was no rule. In 1943, the rule provided for 2 hours of general debate. In 1944, again a debt limitation bill was taken up by unanimous consent with no rule.

All through the years, from the time that I came here in 1932 when the debt limitation was $32 billion up to the time that it was raised to $300 billion, these bills have been handled in a nonpartisan manner.

As our beloved, former colleague and friend, Mr. Doughton, said on March 8, 1945, when he was chairman of the Committee on Ways and Means, when they were raising the debt limit from $200 billion to $300 billion, a raise of $100 billion, Mr. Doughton started off the debate by saying:

> This bill was unanimously reported by the Committee on Ways and Means.

I repeat that—it was unanimously reported.

I believe this bill was reported out of the committee by a vote of 17 to 6. But, anyway, I am emphasizing it was done in a nonpartisan way. There were no politics here, and I hope there will be no politics involved this time.

Mr. Doughton continued:

> This bill has for its purpose the increasing of the authorized debt of the United States of from $200 billion to $300 billion. This bill imposes no additional taxes. It does not increase taxes. Its primary purpose is to extend the borrowing power whereby the Treasury may be enabled to take care of the expenditures made necessary by the acts of Congress.

I feel, Mr. Speaker, we here today are in a similar position. We here vote certain expenditures which make it necessary that the Secretary of the Treasury make good on those obligations which we vote. Above all things, the Government of the United States and the Treasury of the United States must have the money when these construction men and these contractors come in with their bills whether they be for airplanes or people working in ordnance depots or Federal employees or disabled veterans or soldiers' payroll—in fact every expenditure necessary to keep this country secure and strong. I repeat, I hope this will be kept at the same level today as all these other debt limitation bills from the time I came here when the debt was $30 billion, and up to the time it was raised by my good friends on the right to $300 billion, when it was done in a nonpartisan manner with no rule but by unanimous consent. I hope this measure will be passed today with no politics or anything of that kind.

Mr. SIMPSON of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield.

Mr. SIMPSON of Illinois. I am sure the gentleman would also like to state the debt limit was cut from $300 billion to $275 billion in 1946.

Mr. ALLEN of Illinois. I am glad the gentleman brought that to my attention.

Mr. FORAND. Mr. Speaker, will the gentleman yield?

Mr. ALLEN of Illinois. I yield to the gentleman from Rhode Island.

Mr. FORAND. I think I can tell the gentleman the reason why there is a difference in the way the bill is being handled now and the way it was handled heretofore. In the past there were hearings held and serious consideration was given to the matter.

Mr. ALLEN of Illinois. I am glad the gentleman brought that up. I also have the record on that. On the first one there was a hearing on the bill which was passed on February 10, 1940, for 1 day; just the same as this one. That was January 29.

Mr. FORAND. Oh, no; not the same as this morning.

Mr. ALLEN of Illinois. Well, they had 1 day hearings.

On the next one, when it was raised from $65 billion to $125 billion—and that was a pretty good jump—1 day hearings. Not more than 1 day, at least.

Mr. FORAND. Without cops guarding the doors.

Mr. ALLEN of Illinois. And in May 1940, when it was raised from $260 billion, they had a hearing also for 1 day. I do not know how long they spent that day. It might have been 1 hour or 4 hours, but I am very glad the gentleman brought that to my attention.

Mr. FORAND. But never under police protection.

Mr. ALLEN of Illinois. Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of Virginia. Mr. Speaker, I yield 7 minutes to the gentleman from Mississippi [Mr. COLMER].

[Mr. COLMER addressed the House. His remarks will appear hereafter in the Appendix].

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SCOTT].

(Mr. SCOTT asked and was given permission to revise and extend his remarks.)

Mr. SCOTT. Mr. Speaker, in my opinion, the most impressive statement that was made in the Committee on Rules this morning was that made by the distinguished chairman of the Ways and Means Committee, the gentleman from New York [Mr. REED], when he said:

> I am for this resolution because this is a matter of my patriotic duty, this is a matter of my obligation to protect the fiscal integrity of the United States, to protect and keep secure our credit system.

In discussing the matter with the chairman of the Ways and Means Committee at that time I asked him what he thought would happen to the credit situation of the rest of the world, whether dollar based or sterling based, if the credit of the United States came under any form of shadow by virtue of our failure to do our extremely unpleasant duty in this House in connection with this bill, and he expressed the opinion, with which I am in entire agreement, that if that were to happen the fiscal standards of the entire world would fall into chaos.

No one relishes the responsibility of raising the debt limit of the United States. I would like to call the attention of the Members of the House to one important fact and that is this: All of the money bills, so far as I am aware—appropriation bills—have been disposed of or are in conference. It is not expected that this Congress will be called upon to enact any additional spending measures. Therefore, any statement which may have been made or may be made to you to the effect that the raising of the debt limit in itself constitutes a temptation to additional spending is answered by the fact that this Congress will not be here to spend the money and that is further evidenced by the fact that the record of this Congress on both sides of the aisle is that about $14 billion have been saved so far in appropriation bills that have been before us. If that had not been the case it might have been necessary for the Ways and Means Committee to come in here and ask for an increase in the debt limit to over $300 billion rather than to $290 billion.

I therefore urge the adoption of this rule.

Mr. SMITH of Virginia. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. HAYS].

Mr. HAYS of Ohio. Mr. Speaker, I would like to read from an article in Newsweek magazine, which came out today, regarding an interview with the gentleman from New York [Mr. TABER], chairman of the Committee on Appropriations in which he was asked:

> Do you think that the statutory debt limitation should be raised at this time?
>
> "Since the budget is well on its way to being balanced, I see no necessity for any such action at this time. The public debt currently is some $272 billion, leaving $3 billion before the statutory ceiling is exceeded, and we have $9 billion cash in the Treasury. I believe it would be most imprudent to raise it and encourage the spenders at this time. Frankly, I feel that the limitation should move downward, not upward."

Mr. SMITH of Virginia. Mr. Speaker, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

DEBT LIMIT

Mr. PATMAN. Mr. Speaker, if I believed this increase was necessary, I would be very glad to vote for it. But, I do not believe it is necessary. The first limitation on the public debt was fixed at $45 billion by an Act of February 4, 1935. It was raised to $65 billion, February 19, 1941; $125 billion, March 28, 1942; $260 billion, June 9, 1944; $300 billion, April 3, 1945; and reduced to $275 billion, June 26, 1946 where it is today.

The principal reason for the debt limitation is as a goal and reminder. Actually, the last act of Congress prevails over preceding acts, even by implication, and if the Congress appropriates more money than a debt limitation allows and the bonds are issued to raise the money to cover it, the Government would probably be estopped from raising the defense of wrongful issuance. However, the limitation serves a good and useful purpose and should be sincerely considered. It should be respected.

The debt limit is $275 billion. Our debt today is $272 billion. That is a difference of $3 billion; that is very small in comparison. But, we have in the banks of the Nation to the credit of

the United States Treasury $8.9 billion This money is not in the Treasury; it is in the banks subject to check by the United States Treasury. On part of that money, at least, we are paying 3¼ percent interest. On that basis we are paying almost $1 million a day for that money. Why leave that money there idle and unused? The figures that I am using come from the United States Treasury, Washington, D. C. They are as follows:

	Amount (billions)
Debt limitation	$275.0
Outstanding July 1953	272.0
Remaining to be issued under limit	3.0
Cash balance, July 24, 1953	8.9
Total available	11.9
Receipts—July 1–Dec. 31, 1953	27.0
Expenditures—July 1–Dec. 31, 1953	37.5
Deficit (6 months)	−10.5
Deficit to July 24	−1.8
Remaining deficit	−8.7
Excess of possible funds over deficit	3.2

No one can question these figures. The receipts for the remainder of the year will doubtless be, according to these figures, $27 billion; after the expenditures which are more are made there will be a difference of $8.7 billion, which is less than the amount of cash that is in the banks to the credit of the United States Treasury at this time. You can go ahead and make these expenditures and still have at the end of the year a difference of $3.2 billion between what we have spent and the debt limit. So, why do that? Why keep all this idle and unused money in the banks of the country and pay interest on it? In years gone by the Treasury had a source of income by receiving interest from its deposits in the banks, but now, absolutely, we are not. So, why have this money there absolutely unused? I would like to ask you that question. That is what will be done if we raise this debt limit. If you do not raise the debt limit, that money will be sufficient to take care of the difference between the receipts and the expenditures. It is absolutely unnecessary, and we should not do it.

Now, this bill comes here under a gag rule; it is the worst kind of a gag rule. In the other body the Members will be allowed to offer amendments; they will be allowed to vote on amendments, for or against them, but here we are not. The Committee on Ways and Means under this rule will be allowed to offer an amendment, if they desire. They will not desire, but if they do, no other Member can offer an amendment to that amendment. It is a double gag rule; suggested one day and brought on the floor the next day. It is no credit to the membership of this House. It is certainly no compliment to the membership of this House. Why should not the Members of this body receive the same consideration that the Members in the other body receive?

Mr. SMITH of Virginia. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MULTER].

[Mr. MULTER addressed the House. His remarks will appear hereafter in the Apppendix.]

Mr. ALLEN of Illinois. Mr. Speaker, I yield 3 minutes to the gentleman from Pennsylvania [Mr. SIMPSON].

Mr. SIMPSON of Pennsylvania. Mr. Speaker, I think this issue does not need any involved study. It simply boils down to the same issue that must prevail in your household finances every month. If you spend the money or authorize your wife or anyone else to spend the money for you, you have it to pay. If you do not pay it, your credit is not good. Thereafter our Government would be in the same position if we fail to provide the money to meet our bills.

Responsible Members of the Congress of both parties, a majority, I am convinced, believe that the credit of the United States is of paramount importance. This is shown by the very fact that we have acted favorably upon vast appropriation bills. In authorizing these billions of dolars of expenditures necessary, in our opinion, for the safety of our country, it is inconceivable that we will not provide the dollars to meet those bills when they come due. We are in this bill but providing the dollars to meet the obligations which both great political parties under the guidance, it is true, of another President, saw fit to commit this country's credit to a year or 2 years ago. I cannot believe that when the roll is called, unless people misunderstand the issue, they will fail to vote both for the rule and for the legislation, which does, I repeat, nothing more than permit the Treasury to meet and pay the obligations which you have created.

Mr. SMITH of Virginia. Mr. Speaker, I yield 5 minutes to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Speaker, I want to be considered neither in a position of criticizing anyone nor lecturing anyone. I want to start with the situation that faces us now, today, and not talk about the past but talk about today and the future. In discussing it I want us to think, as my friend from Pennsylvania just said, of what we will do to the credit of the Government of the United States.

This morning the Secretary of the Treasury and the Director of the Bureau of the Budget came to the committee with a story that the debt ceiling was too near the outstanding debt and that they expected some increase in the debt in December of 1953 and again in the calendar year 1954, that in their opinion justified an increase in the ceiling on the debt. They showed charts which clearly, from their point of view, proved the case of the need, as they pointed out to us, for something being done right now.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from Louisiana.

Mr. BOGGS. Did the committee hear anyone other than the Secretary of the Treasury?

Mr. MILLS. I am coming to that. I had intended to interrogate Mr. Stam, who is the chief of the staff of the Joint Committee on Internal Revenue, but I was precluded from interrogating him to find out whether or not he shared the viewpoint expressed by the Secretary of the Treasury and the Director of the Bureau of the Budget. I did talk to him in private, and I came up with some figures, which he had obtained from the Treasury, apparently along the lines of those given by the gentleman from Texas [Mr. PATMAN].

But I want to talk more about what we may do here to take care of the situation—if the Secretary of the Treasury is right—and still not have you people do what you criticized us for doing for 15 years—and that is follow down the same path of deficit financing.

The Secretary suggested that we, as a permanent proposition, increase the debt limit to $290 billion in order to take care of this situation, which he described to us that would occur at the end of this year or some time during next year—a temporary situation. His own chart showed that the public debt itself would descend so that it would not be a permanent proposition, but he sold us, if he sold us at all, on the idea that he needed some kind of temporary relief for the situation caused by the production of war materials and the delivery of those materials.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield.

Mr. BOGGS. Is it not a fact under the worst figures presented by the Secretary that his worst situation was $277 billion?

Mr. MILLS. I am coming to that. He said that the debt might reach the figure of $277 billion upon his calculations and I will admit those calculations are, in my opinion, somewhat optimistic. But I am approaching this on the basis of trying to do something to help his situation, if he needs help. So I am suggesting, if I am recognized to offer a motion to recommit, that we recommit the bill with instructions to the committee to report it back forthwith by striking out all after the enacting clause, the 3 or 4 lines which my friend, the gentleman from Illinois, referred to, and insert 3 or 4 lines the sum and substance of which would be that we will permit the debt ceiling to be raised to $290 billion between August 1, 1953, and December 31, 1954, the very period during which the Secretary of the Treasury and the Director of the Bureau of the Budget say they may need some degree of cushion, but following that the ceiling of $275 billion comes back into effect. You say that that might not work. Their own figures show that the debt itself will be under $275 billion by that time. If you do not want it on a temporary basis, then the only conclusion that we can reach is that you want the debt itself, and not the ceiling—but the debt itself—to go to $290 billion. If you do that, you have moved in the direction of destroying the credit of the United States.

Mr. SMITH of Virginia. Mr. Speaker, I yield myself the remaining time.

Mr. Speaker, I think the House should vote this rule down. I hope the rule will

be defeated, and I want to give you a few of the reasons why it should be defeated. In the first place, as referred to by the distinguished member of the Committee on Ways and Means who preceded me, there is no earthly reason why there should be a closed rule in this case, because the only question involved is whether you shall raise the debt limit $15 billion or some other figure that the House might think is more desirable, and there is no reason in the world why the membership in the House should not be permitted to say on the evidence how much, if any, the debt limit needs to be raised.

If you vote the rule down, then the Committee on Ways and Means, having a privileged status, can bring the bill in and the House can do what they please with it, as is the democratic way. That is not the only reason. There is another pretty good reason. That is, there are two bodies to this Congress. One sits at this end of the Capitol and one sits over at the other end of the Capitol. They do not always do over there as we want them to do.

There has just been a fresh press release come in over the ticker in the lobby, just a minute ago, which says that 7 of the 15 members of that committee, who are the Democrats on that committee on the other side of the Capitol, have agreed that they will not pass this bill at this time. And the same release proceeds to say that there are a number of members on the Republican side of that committee who have agreed that they will not pass this bill at this time.

I should like my distinguished friend, who is going to follow me, the distinguished majority leader, and who is going to rip the cover off everything I say to you here—and everybody knows that there is not anybody in this House who can do it any better or more cheerfully or more gladly—I should like the distinguished majority leader when he follows me to tell the House, particularly the Members who sit on that side of the aisle, why they should have their throats cut and be crucified on this measure today when the Senate tomorrow is going to say, "We are not going to have anything to do with it."

I am speaking in all seriousness. Why should we do this thing today? Why should we not wait and see if the Senate is going to do what they say they are going to do, not take this measure up? Perhaps if we wait, and if the Senate did not do anything and we did not do anything, some other people might be right about this thing, namely, that you do not need any increase in the debt limit.

You have heard in the last 5 minutes a statement from the chairman of your own Appropriations Committee who said that there is no need to increase the debt limit. You have the statement of the gentleman who just preceded me [Mr. Mills] that your own expert on the Joint Committee on Internal Revenue Taxation has presented figures that show that you do not need any increase in the debt limit at this time.

Senator Byrd, a distinguished member of the committee in the other body, has given figures to demonstrate that you do not need to do it.

My friends, I think our folks are getting pretty tired of this business of an unbalanced budget. I had hoped that if we had to increase this debt limit we would take enough time to let something go hand in hand with an increase in the debt limit, namely: a constructive movement to balance this budget by whatever methods are necessary. And if they have to be drastic, let them be drastic. I am willing to go as far as anybody else, because we know we are marching toward a financial disaster in this country if we do not stop operating on a budget that is unbalanced. We know that in a large measure the people of this country in the November election last year repudiated deficit spending. The repudiated an unbalanced budget. They elected a President of the United States who said, "We are going to cut it out and we are going to balance the budget and we are going to stay within the limits of the revenues of this Nation."

We are just going to raise the debt limit; that is all we are going to do. Could we not, by staying here a few days longer, devise some scheme or plan, some way of doing something that would lead us in the direction of a solvent and a sound fiscal policy in the country?

I talked about this a little bit yesterday. I said that the only constructive suggestion that I had heard made came from my distinguished friend on the Republican side, the gentleman from New York [Mr. Coudert]. He has a bill that was reported out by the committee, but on which he has not been able to get a rule and has not been able to be heard. Yet we are going to increase the debt limit. He is the only man who has suggested anything constructive, and we do not listen to him.

In the Rules Committee a little while ago I offered a motion that it should be in order to attach to this proposal of raising the debt limit, this constructive suggestion of Mr. Coudert's. Nobody would give me any aid or assistance on Mr. Courdert's side of the table on that, with one exception, of which I was very proud.

We have here a letter from the Director of the Budget opposing the Coudert proposal, but he does not propose any other method to settle this problem. He says:

> I do not believe that the fundamental problems in the control of expenditure can be resolved by arbitrarily limiting expenditures to an amount that does not exceed revenues in any given period.

What he seems to advocate is a continuation of an unbalanced budget. I am perfectly willing to go along with a raise of the debt limit, necessary or unnecessary, if we will settle down here and be willing to do the necessary drastic difficult proposition of cutting these appropriations, of limiting the appropriations, of rescinding, if necessary, appropriations, rescinding authorizations that we have made for dams and this, that, and the other fine things everybody would like to have. I am perfectly willing to go along with the debt limit if you will undertake to do something constructive about settling this proposition once and for all, so that this country can again find itself on a sound financial basis, a thing that is absolutely essential to the security of this Nation.

Mr. ALLEN of Illinois. Has the gentleman from Virginia used all his time?

The SPEAKER. The gentleman's time has expired.

Mr. ALLEN of Illinois. Mr. Speaker, I yield the balance of my time to the gentleman from Indiana [Mr. Halleck].

The SPEAKER. The gentleman from Indiana is recognized for 17½ minutes.

Mr. HALLECK. Mr. Speaker, I certainly appreciate the splendid compliment given to me by the gentleman from Virginia. I have such high regard for him that it is even painful to disagree with him, although once in a while I have to do it. As I listened to his speech I did not think he was really in disagreement with me.

Complaint has been made about the procedure. Perhaps some of the Members would have liked to have taken days, and days, and days on what in the final analysis is a simple matter of facts and figures that are to be determined, and I did not think it should need or take a lot of time. The facts can be presented, and when the facts are presented and understood there is only one thing to do, and that is to respond to the request of the administration for an increase in the debt limit.

I understand this amendment came out of the Ways and Means Committee this morning by a vote of 17 to 6. I do not think it avails anything to talk about what the people in the other body are going to do. I cannot be responsible for their actions, but I do feel a responsibility as the majority leader here for the actions of the House of Representatives; and if we have a responsibility before us, if we have something that has to be done before we can adjourn, as far as I am concerned I am going to move as expeditiously as I can to get done the things that we need to do; and may I say I have not heard any complaint about the fact that we have been getting our work done and are preparing to go home after an adjournment.

Some little question has been raised here about the kind of rule we have. Of course, the motion to recommit is preserved for the minority; and the gentleman from Arkansas, who is a member of the committee, has indicated what that motion to recommit is going to be. The motion to recommit should not be adopted, of course, because it does not deal with the realities of the situation.

As the chairman the gentleman from Illinois [Mr. Allen] pointed out, we have revised the debt limit here in my time on eight occasions, and there is the compilation of the list. As I think back I can hardly remember any time when there was any great argument about it. I do not think there should be now. Somebody said, "Well that was when a war was going on." When the first 2 or 3 increases were made there

was no war on. The country was in an emergency and we met that emergency. As far as the war situation is concerned, however, let me say to you that most of the moneys involved in this very situation were voted for purposes of war. If it were not for the expenses of the Korean war and the cold war that confronts us, we would not be facing the situation in which we find ourselves and we would not be raising the debt limit.

There has been a big fuss about this out of proportion to the significance of this action. Some would have us believe that the debt limit is some sort of magic formula that keeps expenditures down. Take a look at this chart. It shows graphically what happened starting back in 1930 with a $16 billion national debt. The spotted line is the legal debt limit. The solid black line is what we actually have outstanding in obligations. You will notice that when the solid line got close to the legal limit, we have raised the national debt limit. Then it got up to this point and then came down. That was right. And let me say to the gentleman from Arkansas that if he will help us cut the expenditures of Government we will start trimming that line down. That is what we want. But there is no magic way to accomplish it. The only way you accomplish that is through the battle to cut appropriations.

Some have complained about this being a rather late presentation. It cannot be disputed that if this had been presented before the appropriation bills were substantially in their final form, before you had a last hard look at what the revenues would be, you would have said, "Wait until all the figures are in."

Let us not play fast and loose with this problem. It deserves better consideration. Let us get to the facts and figures. I am happy there has been no politics in it. You may jump up and say that the Eisenhower administration has been 6 months in power and we have raised the debt limit. We may say that we have not had much to do with the spending business up to this point, that what we are having to do is the result of an accumulation. But I agree with the gentleman from Arkansas, let us look at it as of now, but let us look at the figures.

It was estimated we would have a much smaller deficit this past fiscal year than we had. We had a deficit of $9.4 billion. There was an underestimate of the revenues we were getting. The deficit was $3½ billion more than was estimated. The January budget projected in January by the Truman administration showed the national debt going to $274 billion. The adjusted January budget shows what really would have been the situation had they known about the loss in revenues and the expense of Government.

Mr. Speaker, reference has been made to the cash balance. I have the highest regard for Senator BYRD. I consider him one of the great fiscal experts. But here is a mimeographed copy of his statement, in the fourth paragraph of which he says: From August 1 to January 1 receipts will be so much, expenditures will be so much, and those 5 months will show a deficit of $7.3 billion.

So you take the $7.3 billion on his figures out of the $8.7 billion, which is the cash balance today, and you are down to a billion dollars in the cash reserve. You have a $2½ billion additional borrowing power, perhaps $3 billion.

Now, you may say, let us skate through on that. Let me point out to you that the Government of the United States has 1,100 accounts scattered all over the world. When your administration was in power they maintained a cash balance of $7 or $8 billion. You have got to have an account in all of these banks and countries in order to cover expenditures.

Mr. CURTIS of Nebraska. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Nebraska.

Mr. CURTIS of Nebraska. It is 11,000 accounts.

Mr. HALLECK. That makes it more obvious as to what we are up against. So you have got to maintain a working balance.

Do you know that the Government is presently spending and paying out at the rate of $7 billion a month?

Now, would you have the Government of the United States whose credit is so important, placed in such a position that if the slightest question was raised about it our ability to meet obligations, it would bring panic in this country? Do you want to put the Government of the United States in the position of trying to operate on a 10- or 15-day balance? Why, the Secretary of the Treasury said—and there can be no dispute about it—that over a weekend you can fall behind a couple of billion dollars. We have got to have a reasonable working balance, and this margin has become so thin that this action must be taken.

Now I want to point out another factor. On this chart, which most of you can see, I hope, the January adjusted budget would have shown that we were up to $280 billion. Now we are down on the projected basis to $277 billion. Now I will tell you why that happened. We have cut thirteen or fourteen billion out of the appropriations in this session of the Congress, and believe me, those of us who worked at it recognize that it was a tough, hard job. Unfortunately, and that is where these commitments come in, the $81 billion carryover that we had when January came, $81 billion obligated but unexpended, the $13 or $14 billion you cut off, may I say to the gentleman from Missouri [Mr. CANNON] is reflected by a $3 billion drop. That is all that the expenditures will be affected in this 6 months' period, the first 6 months. Now it goes down to two hundred and seventy-three from two hundred and seventy-seven, but that two hundred and seventy-three is on a computation of receipts of forty-one and one-half billion the first half of next year, the calendar year, as against the preceding year of thirty-eight billion. Now I do not know whether that is going to hold up or not.

Let me point out to you one other danger when you begin to cut this so thin. The estimate for CCC payments last year was $800 million, yet when we wound up the year it was $1,800,000,000. There are all sorts of other unknown quantities. This whole thing was projected on the most conservative estimate possible. There are other factors, such as the big steel strike, that cut down on the revenues.

I have spoken of the conservative estimate, I have spoken of what I think is a major accomplishment in the great cuts we made in these appropriations that will be reflected in the next year. When you look beyond this—and this is with regard to what the gentleman from Arkansas was talking about—no one knows what is going to happen. Taxes are expiring next year. We are going to have a revision of the tax structure. No one knows what the level of our economy will be.

So, I say to you—and this is with no recrimination toward anyone—the Congress voted them; the Congress created the obligations. As a result the Government must have the money to meet them.

Now some people have said to me, "Let us have a stretchout." By "stretchout" they mean we will say to the man delivering airplanes or the little manufacturer, or perhaps the fellow who has a pension check coming in, "We will stretchout. You just give us 30 days longer and we will pay you." What would happen in this country? There could be a panic. You cannot do that.

Somebody said, "Well, the appropriation bills are the last legislative expression and, after all, they supersede the debt limit."

Mr. Speaker, as far as the debt limit is concerned, as we look at its history, I wonder sometimes just how much it means. May I say to my friend from Virginia, "You go along on this job that needs to be done and I will sit down as I have sat down with you before, and try to work out some solution to this problem." But the idea of a debt limit has become ingrained. People think of it as some sort of a ceiling.

Suppose you said to the Treasury Department, "Now, don't worry about it. If you have to have five or six billion dollars more come November or December to keep up your balance and meet your obligations, you go sell the bonds even if the new issue puts us over the debt limit."

Mr. Speaker, who among us would buy a potential lawsuit with this close legal question involved? No one would buy bonds. It just would not be done.

Some say the President ought to rescind a lot of these obligations. What would he rescind? Would he rescind the money to be spent down at the Tennessee Valley Authority? Would he rescind on the pension checks? Would he rescind the orders for the airplanes, orders that many of you argue have been cut down too low for the defense of the country? Would he rescind on the obbligation to pay farmers under the support-price program?

Listen, folks. We have appropriated these amounts and we have the responsibility to meet the request of the executive branch of the Government when they say this must be done to meet the obligations we have created.

Maybe some of you want to come back here in a special session. I do not. Maybe some of you want to sit around here for days and days. I do not. I think we have done a good job in this session of Congress. You folks are going home and say we did nothing, and we are going to boast about what we did. It will be the same old business, and we will all be good friends. But I am just appealing to you as a matter of responsibility. Here we have a fact confronting us. You cannot ask the President of the United States to take this responsibility. Senator BYRD seemed to think maybe he could but I do not think he really meant it, and I do not believe Senator BYRD, as stalwart a champion of the Government of the United States as he is, would want to get our cash balances down to a couple of billion dollars so that the Government might not be able to pay its bills.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I am forced to.

Mr. MULTER. Thank you.

Since there is nothing secret about all of these facts and figures appertaining to this very vital subject, does not the gentleman think to avoid the panic that he says might come upon the country we ought to have at least 1 day of public hearings when the facts might be put on the record?

Mr. HALLECK. May I say to my good friend from New York, and he is my friend, you might have called in a lot people and opened the doors to a lot of witnesses, and they would have talked much as I have heard the talk here. There may be a few people trying to play a little politics with this. I hope not. There is a little complaint about the procedure. But in the final analysis, who could have come in and given us any better statement about the situation we face? Here are the figures. Just take a look at them. All that the administration people can do is to estimate the revenues and all they can do is estimate what the expenditures are. They are the people whom we have elected, and who have been appointed to positions of responsibility. They worked with their staffs to give us the most accurate statement possible, and I have not yet heard the first person challenge the accuracy of these figures.

Mr. COOPER. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Tennessee.

Mr. COOPER. I voted in the Ways and Means Committee this morning to have open public hearings, but the Secretary of the Treasury and the Director of the Budget held a press conference yesterday afternoon for a solid hour and gave to the newspapers of the country all of the information that was given to the Ways and Means Committee this morning, and the information that was presented at the White House in the conference yesterday. It has all been presented to the newspapers of the country.

Mr. HALLECK. I thank the gentleman. As a matter of fact, I think it was this very chart, perhaps without the yellow broken line, but showing just what would happen, that was printed as a diagram in the Washington Post this morning. We were all told Thursday morning at the White House, Democrats and Republicans, what the picture was.

So may I say in conclusion that I do not like these things any better than you do, but listen, folks, we have been voting the money, now let us stand up like men and be counted.

(Mr. COLMER asked and was given permission to revise and extend his remarks.)

Mr. COLMER. Mr. Speaker, I ask unanimous consent that all Members may have 3 days in which to extend and revise their remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. HIESTAND. Mr. Speaker, raising the debt limit is the effect, not the cause, of large spending, and this large spending is mostly that of our predecessors. When well-managed business has an extraordinary accumulation of unpaid bills for extraordinary expenses in excess of income, it should not hurt its credit by delaying or withholding payments of bills. Being unable to print money, it goes to the bank, borrows the money and pays the bills, but at the same time severely reduces expenses and expenditures to meet income. Well, it is just the same with government. Commitments for the colossal expenditures for which we are now having to pay, were made in 1950, 1951, and 1952, and these bills must be paid. Otherwise, the Federal credit conceivably could be impaired and even a possible panic could ensue.

We have cut the requested Truman budget by over $13 billion, and even reduced the present administration Federal Budget by over $3 billion—that is three thousand million. But these savings will not be apparent until the latter half of 1953, 1954, and even 1955.

This points up the difference between the operating expense budget, and the cash position of a business or a government. They are two very different things. Current Federal expenditures are being drastically reduced, but the large commitments of previous administrations whether in payroll, pensions, or procurement, cannot all of them be repudiated. By far the greater part of this is fixed and irreduceable expense. Some contracts have been cancelled, but the payroll savings most people had hoped for cannot and must not be achieved suddenly, because the employees not only are protected by law—civil service—but also are carrying out these very fixed functions of government established by laws now on our books. To some degree this is as it should be. Already many thousands of people have left the Federal payroll. Reorganizations, consolidations, and economies have been effected and much money saved. This is not an additional spending measure.

Refusal to raise the debt limit does not enforce economy. Economy is enforced by denial of appropriations and strict executive organization and supervision.

No money can be saved by failing to raise the debt limit. If we should run out of funds in the latter part of the year, when the income is low and the expense is high, Congress would have to be called back into session at an added expense. Raising the limit is simply a common sense procedure, one of good business.

Mr. SIKES. Mr. Speaker, I cannot subscribe to the proposal to increase the debt limit of the United States at this time. I do not feel that such a request comes in good grace until the Nation has been shown beyond the slightest doubt that there is no alternative. I recall very well, Mr. Speaker, that in the election last autumn many statements were made by personnel of the present administration that costs of government would be limited, that wastes would be curtailed, and that the budget would be balanced. Now we find in less than 1 short year a budget that is badly out of balance and a request for an upward revision of the debt limit. I feel that a stronger effort should be made to put our fiscal house in order before this request is made to the Congress, and until that is done, I propose to vote against it.

There is not a critical time element involved in this matter. It is admitted that months may pass before the problem becomes acute, and there is a possibility that it may never become acute. If in time it should become a serious matter, requiring immediate consideration, there is machinery whereby the Chief Executive can call the Congress back into session to consider the problem. I think such a procedure would be a much more proper one, and it would show to the American people that a more determined effort has been made to meet this problem without taking the easy way out by asking the Congress to increase the debt limit now.

Mr. ANGELL. Mr. Speaker, much as I dislike to do so, I am compelled by the circumstances facing us to vote for increasing the statutory debt limit from $275 billion to $290 billion.

I am unalterably in favor of balancing the budget, reducing the tax burden, ending the deficit spending and living within our income. Unfortunately, for 20 years the Government has been under the control of the Roosevelt and Truman administrations which have followed the policy of tax and tax, and spend and spend, and have never balanced the budget during their entire regimes. The Republican 80th Congress, although not in control of the executive department but only the legislative, succeeded in balancing the budget. When the Truman administration left office it had contracted obligations for the Federal Government which resulted at the close of the last fiscal year in a deficit of approximately $9½ billion, which added to the existing public debt together with commitments yet to be paid, will in all likelihood exceed the present debt limit. If we are to maintain the financial solvency and integrity of our Government, meeting our financial obligations and pay these bills contracted by the previous administration, it will be necessary

to increase the debt limit. For that reason I am voting for the increase.

I believe, however, that we should maintain our national defense to full strength but there should be drastic cuts made, particularly in foreign aid and in the military budget, where grossly exorbitant expenditures have been made and particularly in the military budget, great waste and profligate spending has taken place. I believe we should tighten our belt, cut these expenditures to keep them within the limits of our income, balance the budget and reduce the tax burden and get our Government back on a sound financial basis where it rested before this exorbitant spending was inaugurated by the Roosevelt and Truman administrations.

I include as a part of these remarks an editorial which appeared in the Washington Post today which states the case for raising the debt ceiling showing the necessity therefor:

RAISING THE DEBT CEILING

President Eisenhower has taken the prudent course in asking Congress to raise the limit on the national debt. No one likes to contemplate a larger debt burden, but the debt figure is the consequence rather than the cause of Government spending. The facts of the country's financial situation fully warrant the judgment of the Treasury that to leave the present $275-billion limit unaltered in the face of the necessary borrowing operations would be to invite possible chaos.

The opposition by Senator BYRD and other legislators on psychological grounds is understandable. But little or no money actually would be saved by sticking to the present limit. The administration might be able to make out, as Senator BYRD maintains, by rationing its spending. It would run the risk, however, of depleting its cash balance below the safety point and of not having the money to pay its bills. That, in turn, might impair credit and cause a panic. There simply is no point in needlessly courting this danger.

Whether the administration could have made its request earlier is another question. It is true that the Treasury had to await the passage of appropriation bills in order to know exactly what the situation would be, but the outlines of the problem have been apparent for some time. The fact that the request was presented in the closing days of the congressional session invites the suspicion that the administration strategy is to rely on the fatigue of legislators to avoid a lengthy debate.

In any event, Congress would only be cutting off its nose to spite its face if it refused to heed the request. According to present estimates the debt (now at $272.5 billion) will go up to $277 billion, and possibly to $279 billion, in December before receding to $273 billion by the end of the fiscal year. Unless Congress acts now, the President will almost certainly have to call it into special session.

The compelling point, it seems to us, is that the debt limit does not enforce economy. The real savings are made by other means. The administration, with the help of Congress, has shown good faith in cutting $13 billion from President Truman's new appropriation request and trimming his estimated 1954 cash deficit by $5.5 billion. This performance ought to persuade Congress of the administration's intentions. Surely no constructive purpose would be served by tying its hands and rendering it helpless to deal with the problems of the debt.

DEBT LIMIT INCREASE NOT NECESSARY

Mr. SHAFER. Mr. Speaker, I cannot go along with this last-minute request to raise the statutory debt limit from $275 to $290 billion.

The timing of the request is not an all-compelling reason for my opposition, but it is relevant to the issue because it is clearly a pressure tactic. And a pressure tactic of this type suggests that the move lacks merits which would stand the test of close and painstaking scrutiny.

Certainly if the need were clearly demonstrable and completely valid it would not have been discovered and announced only in the closing hours of the session and it would not have been either necessary or desirable to bring it in with hurry-up tactics.

Examination of the facts, moreover, convinces me that the action is not required. The general fund balance as of July 27 was $8,807,401,229. The unused portion of the debt authority is $2,483,178,561. With this cushion, with the indications that corporate income tax receipts during the next 5 months will exceed those of last year, and barring a program of spending in the next 5 months at a faster rate than achieved by Mr. Truman in the last 5 months of 1952, I can see no reasonable need for raising the debt limit at this time.

I must add, in all candor, that if administration promises of even greater economies in 1954 are matched by performance—as they can and should be—there would seem to be no valid grounds for raising the debt limit when we return next year, barring, of course, the contingency of all-out war.

Our performance in this session in the matter of economy, especially in the field of foreign aid, and in the matter of tax reduction has scarcely justified unstinted applause of the American people. An increase in the debt limit under the present circumstances will be a further blow to public hopes, expectations, and confidence.

I am glad to add that I have not voted for the squander-mania programs during my past eight terms or during this session of Congress, and therefore I feel no obligation to vote for an increase in the debt limit under the present circumstances. I have learned, during my years in Congress, that the more funds you vote the more the spenders spend.

Mr. GROSS. Mr. Speaker, throughout this and preceding sessions of Congress I have voted against measures calling for the spending of many billions of dollars.

In this session of Congress alone, I have vote against spending bills the savings from which would have balanced the budget and obviated the necessity for increasing the debt limit.

On this same day that we are considering a $15 billion increase in the statutory debt limit, the House has already voted approval of an increase of nearly a half billion dollars in so-called foreign aid and a total to be spent on foreigners in the current fiscal year of at least $15 billion.

I opposed today's increase of nearly a half billion dollars in spending on foreigners just as I opposed the original authorization of nearly $5 billion in new money on these foreign spending sprees when there was already some $10 billion in the pipeline.

I know of no farmer, businessman or laborer in the third district of Iowa who, upon reaching his debt limit, could blithly walk into a bank or other lending agency and command a raising of his debt limit. He would be compeled to retrench or face the consequences. The Federal Government cannot do otherwise and maintain anything approaching a sound fiscal policy.

I would just as firmly oppose a raising of the debt limitation had the Truman administration continued in power. This Government must face the hard fact that it cannot continue forever spending beyond income, and I am confident the people of the third district of Iowa did not elect me to plunge them ever deeper in debt.

Mr. Speaker, I am opposed to the action here proposed.

Mr. DOWDY. Mr. Speaker, I am opposed to an increase in the public debt limit. A few days ago I related the story of the little moron who was hired as a watchman at the railroad crossing. It illustrated a point then, and is equally in point here.

We have a chance to be good watchmen here, and put an effective brake on spending by refusing to raise the limit on the public debt; the alternative is to retire to the hills and watch the trainwreck of continued runaway Government spending.

During last year's election campaign this administration pledged itself to a balanced budget, reduction of the public debt, and reduced taxes. Executives always want more and more money to spend. An example of that was shown this morning when the additional one-half billion dollars was added to the foreign aid bill. The vote on yeas and nays defeated the additional appropriation at first, but enough of the Members on the left of the aisle were persuaded—or required—to change their votes to succeed in creating that addtiional deficit.

Anyway, we can help the administration carry out its pledge, by defeating this proposal to allow further deficit spending.

The statement has been made that the executive departments have to spend all the money appropriated. There are plenty of precedents to the contrary. Just one example is the approximately $11 billion carry-over for foreign aid. Neither this nor the new appropriation has to be spent, either this year, or ever.

If the administration is out to set a new spending record, of course you will have to make this increase, but I will not go along. A good start is being made. According to the charts brought in here, during the calendar year 1952, the last administration spent $66 billion, while the spending program for calendar year 1953 indicates a plan to spend $75½ billion.

In closing, I will say this—if you expect to set a new spending record, you have got to hustle, because you have set your sights high. If you succeed in it, your record will probably stand forever.

Mr. BLATNIK. Mr. Speaker, this Congress has been meeting continuously for 7 months, and during this time there has been an unusual amount of hot air and doubletalk about economy in Gov-

ernment. This doubletalk started during the last campaign when Republican orators made all kinds of extravagant promises as to how they were going to cut taxes, balance the budget and make big savings of the taxpayers' money.

Now that we are about to adjourn, it is time for an accounting. It is clear that the majority party has not lived up to its promise to reduce taxes. It is equally clear that the budget has not been balanced—the fact that President Eisenhower had to come to Congress this week to ask that the limit on the national debt be raised from $275 billion to $290 billion is proof of that. Hence no further comment is needed on those Republican campaign promises made last fall about how they were going to balance the budget and reduce taxes—the record made during this session speaks for itself.

However, the question of economy is more complicated, but the facts when analyzed are equally devastating to those who promised the people everything but the kitchen sink during last fall's campaign. In this connection, there has been a lot of false economy on one hand, and on the other hand the controlling majority has been more than free with the public wealth.

Yes, there have been some economies made, but usually the cuts have been made at the expense of the public. Let me give you a few examples as to what has happened to my district as a result of what majority leaders choose to call "economy."

Located in my district is an Indian reservation at Nett Lake, where an official has been stationed as a law enforcement officer at a total cost to the Government of less than $5,000 a year. Now the 83d Congress comes along and cuts the budget of the Bureau of Indian Affairs and the result means that we will probably lose this one agent of the Indian Bureau at the reservation.

Take another example—the Duluth-Superior Harbor project. The Duluth Harbor is second only to the port of New York in the volume of cargo shipped therefrom. Because of its importance as an iron ore shipping port, and because two-thirds of the Nation's iron ore so necessary to national defense is shipped from this port, the Corps of Engineers recommended that the channels in this harbor be deepened. Subsequently, Congress authorized this work project involving an expenditure of $615,000, and this item was included in the Truman budget. But then those budgetary geniuses appointed by President Eisenhower came along and eliminated this item. Maybe some call this economy, but I say that such so-called economy is a "pennywise and pound-foolish policy" which is clearly contrary to the national interest.

This new economy policy reached the height of stupidity in connection with the Duluth airport control tower. Briefly, this is the story. Last May the CAA announced that it was being forced to close the air control tower at this airport because of reductions in its operation budget. This tower requires an annual expenditure of no more than $22,000—yet its importance cannot be belittled, because the Duluth airport is the home base for fighter squadrons of the Air Force, a training site for wings of the National Guard, as well as an important center for commercial aviation. Now members of the Minnesota delegation have had to go to the Air Force to ask for a transfer of funds from the Defense Department just to keep this one air tower which is essential to the safety of commercial aviation and the operations of our air defense.

While this penny-pinching has been going on, we have seen this Congress being more than liberal when it comes to the bankers and big business interests. This body voted to give away some $60 billion in Federal-owned oil resources to four States and indirectly to the big oil companies. We are giving away Government-owned rubber plants to private interests, and the Hells Canyon and Niagara power facilities to the private power gang. Finally, Congress had to take good care of the bankers and money lenders by upping interest rates on FHA mortgages, farm loans, veterans' housing, and on new bond issues.

No one is more interested in sound fiscal policy than I am, but I cannot see the logic of cutting public services at the expense of the general welfare on one hand, and then giving away billions and billions of our substance for the benefit of those already rich and powerful. This kind of a policy makes no sense to me, and I am sure that it makes little sense to the vast majority of the people.

Mr. LAIRD. Mr. Speaker, I will oppose increasing the Federal debt on a temporary and on a permanent basis. It is my understanding that the recommittal motion will provide for increasing the Federal debt limitation of $275 billion on a temporary basis. The bill before us increases the Federal debt by $15 billion on a permanent basis. I am opposed to increasing the present Federal debt limitation on any basis.

Wisconsin's per capita share of the present $272½ billion Federal debt equals more than the total assessed valuation of all the property in our State. Keeping the present Federal debt limitation is one way of curtailing Federal expenditures and calling attention to the advocates of big expenditures that future spending will have to be financed by an increase in taxes and not by passing on the debts of today to our childen.

The House Appropriations Committee has reduced the Truman budget request for fiscal year 1954 by $14 billion. Additional savings must be made by canceling some of the $81 billion in outstanding spending authorizations of the past administration. We in Wisconsin, have lived within our State constitution's $100,000 limit for over 104 years. Our Federal Government must live up to its present debt limitation.

Mr. POFF. Mr. Speaker, I have listened faithfully and intently to all of the debate. I have forced myself, by a painfully conscious effort, to maintain an open mind, but at the end of it all, I am compelled to say that my original conviction has not been altered. Accordingly, I intend to vote against this bill. Moreover, I intend to vote against the recommittal motion which would raise the debt limit for a few months. To my mind, there is no difference in principle between raising it for a few months and raising it forever. It should not be raised for 1 day.

Senator BYRD, whom I consider to be one of the ablest fiscal experts in the Congress, has proved with figures that the economic picture is not as bad as it has been painted. The debt currently is roughly $272.5 billion. However, this figure includes about $6 billion in so-called tax anticipation certificates, a great portion of which will be canceled by tax receipts during the next year. Moreover the Treasury of the United States contains approximately $9 billion in cash on hand. While a part of this fund must be maintained in the 11,000 banks throughout the Nation for current operating expenses, it is not necessary that all of it should be retained. The Federal Government gets no interest on this money and why should we keep it idle in the bank while we are paying 3.5-percent interest on the money we have borrowed?

During the last two decades, our legal debt limit has been raised several times. As soon as the actual debt approaches the limit, the Congress has raised the legal limit itself. If we are to do this, on every occasion, why should we have any legal debt limit at all? Instead of raising the debt limit $15 billion, why not just abolish the limit altogether?

The purpose of the debt limit is to discourage the bureaucrats, Republicans, and Democrats, from wasting the money appropriated by the Congress. As long as they know what they can continue to borrow money when their money supply runs out, they are going to continue to spend, but if they know that it is legally impossible for them to borrow more, then they are going to cut off some of the deadheads, quit buying some of the unnecessary and useless supplies, spend more time trying to make every dollar go as far as possible and, in general, decrease the waste and increase the efficiency of their office.

Prorated according to the amount of taxes paid into the Treasury, Virginia's share of the national debt is $4.3 billion. The share of the 16 Southern States is $58.2 billion, which is actually 92 percent of the face value of all of the life insurance in force in the South. It is 48 percent greater than the total assets of all of the banks in the South; it is 4½ times as large as the total value of all industrial plants and equipment in the South.

One of the reasons our national debt is so high is that the Congress has been stampeded into hasty action by the panicky shrieks of the bureaucrats. The time has come for us to take a cool, calm, collected, mature view of the situation and act accordingly.

Mr. ALLEN of Illinois. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and on a division (demanded by Mr. SMITH of Virginia) there were—ayes 231, noes 81.

Mr. COLMER. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. REED of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 6672) to raise the public debt limit.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 6672, with Mr. ALLEN of Illinois in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York [Mr. REED] is recognized for 1 hour, and the gentleman from Tennessee [Mr. COOPER] will be recognized for 1 hour.

The gentleman from New York.

(Mr. REED of New York asked and was given permission to revise and extend his remarks.)

Mr. REED of New York. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, it is a painful, though necessary, tasks which confronts this House today. It is a task which is particularly distasteful to me. Never once have I yielded in my fight to cut Government spending. Never once have I yielded in my fight to reduce the crushing burden of taxation on our people. Time and again, year after year, I have stood before this House and warned that the path we were following was the path to national bankruptcy. These warnings have not been heeded. We have preferred, Mr. Chairman, to countenance waste and extravagance in our Government opreations. We have preferred to take the money earned by the sweat of our own people and squander it recklessly abroad. As a result, I stand before you today—compelled by the bitter necessities of our present situation to ask this House to support legislation raising the statutory debt limit by $15 billion.

Under present law, the statutory debt limit is $275 billion. As of July 24, the national debt stood at $272 billion—only $3 billion under the statutory ceiling. H. R. 6672, the bill now before us, would raise that ceiling to $290 billion.

The 1954 budget as published and presented to the Congress in January included an estimate that the total public debt at the end of the fiscal year 1954—next June 30—would be $274 billion. However, the actual deficit for the fiscal year 1953 just ended turned out to be $3.5 billion more than was estimated in the January submission of the 1954 budget. As a result, it can be seen that based on the January estimate, the Federal debt next June 30 would exceed the present debt limit.

However, Mr. Chairman, the critical period in our monetary affairs is the first 6 months of the current fiscal year. That is the period between last July 1 and next December 31—in other words, the last half of the current calendar year. Under our present method of collecting corporate income taxes, the Government collected in the first half of the calendar year 1953 about three-fourths of the corporation taxes due in the entire year. That leaves only about one-quarter of the corporation taxes to be collected in the last half of this year. As a result, cash receipts of the Government between now and January 1 will be relatively low. The Treasury anticipates a debt of $277 billion by the end of this calendar year, assuming the maintenance of a safe cash balance. Such a debt would be $2 billion over the present ceiling.

It has been suggested in some quarters that the Government has enough cash now on hand which, when added to new cash receipts between now and January 1, would enable it to get by until the first of the year without increasing the debt limit. It is quite possible that we could squeeze by until that time. Of course, even this would not have been possible had we adhered to the January budget. The total Federal debt under the January budget undoubtedly would have exceeded the statutory debt limit well before the end of this year. However, we have managed to reduce the earlier recommendations for appropriations for the fiscal year 1954 by about $13 billion. As a result, it appears possible, as I stated earlier, that we might be able to squeeze by until January 1 under the present debt ceiling.

However, if we should accept such a course, the cash balance would have to be reduced to a point well below a reasonable operating balance. Moreover, I would also like to emphasize that revenues and expenditures cannot be forecast precisely. Actual revenues must depend on the level of economic activity. Expenditures themselves are subject to sharp and unexpected fluctuations. The uncertainty in receipts is emphasized by the fact that actual receipts in the last fiscal year were $3.5 billion below the estimate made last January. This recent experience suggests that to be conservative a margin of at least $1 billion for errors in estimates of receipts should be allowed over the next 6 months. Expenditures are likewise subject to large and unexpected fluctuations. Only last January, for example, expenditures by the Commodity Credit Corporation were estimated at $803 million for the fiscal year ending last June. Those expenditures in actual fact amounted to over $1.8 billion. That increase of over a billion dollars was due to the increased and unforeseen need for agricultural price support. Therefore, just as is true with respect to receipts, a margin of at least $1 billion should also be allowed for unexpected expenditures during the last 6 months of this year.

For these reasons, it is not sound fiscal planning to rely blindly on present estimates and assume that we can squeeze by for the rest of this year. Certainly, in order for the Government to maintain any sort of a safe working balance of funds it will be necessary to borrow more money before the next session of Congress. In the words of the President:

> Under present circumstances, the existing statutory debt limit is so restrictive that it does not allow the financial operating leeway necessary to conduct the Government's fiscal affairs effectively.

Mr. Chairman, no one regrets more than I that we have reached this present state of affairs. We today owe more money than all the other countries in the world, Communist and non-Communist combined. According to the latest figures, the total of all the public debts of all the countries in the world, except the United States, was about $207.5 billion.

In other words, our citizens who comprise about 6 percent of the population of the world are more in debt by about $65 billion than all the remaining 94 percent of the people of the world put together. It goes without saying, of course, that our taxpayers pay more taxes than the other 94 percent of the people in the world put together. Lest it be thought that this is reasonable in view of our wealth, it should be noted that the national income of the other nations in the world exceeds our national income by about $179 billion.

The time has come for us to realize that we cannot afford to purchase the friendship of the rest of the world. We cannot ask our people to go further into debt to support other nations whose debt per capita is only a fraction of ours. France, for example, according to recent figures, has a national debt of about $10 billion, or about $200 per capita. Our debt is more than $1,800 for every man, woman, and child in the United States.

Nevertheless, Mr. Chairman, an abhorrent as the extent of our national indebtedness is, we must face the facts that confront us. It is no answer to say that we should never have gotten ourselves into this mess. We must face the stern realities of our fiscal situation. We cannot shut our eyes and blindly refuse to accept our share of responsibility. Every penny that this Government has spent has been appropriated by the Congress. I believe that the administration has made a case for this legislation. Certainly the bill is not intended as an invitation to loose fiscal policies. Rather, H. R. 6672 is needed to meet a critical situation.

Personally, I am shocked by the necessity for the bill. I hope that every Member of this House is shocked. Perhaps the shock will bring us to our senses.

I have had quite a long legislative career. I was abroad during the First World War and later on when the great inflation occurred in Europe. There are things more devastating than war. There is nothing that would bring this Nation to its knees without the help of any other nation in the world than extreme inflation. We may think we are immune, that we are too prosperous, that we cannot suffer the ills that other nations have suffered, but let us not delude ourselves. In many respects we are a small nation. We are perhaps at the peak of our prosperity—who knows.

There are a great many things that should temper our judgment today.

I wonder if you have been watching Dun & Bradstreet? What does that mean? Does it create a very optimistic spirit as to future collections? There are many things I might go into here and now, but I think you people are pretty well informed where I stand on these things.

One thing we must not forget as we do this is that in the framing of future revenue measures we must see to it that those revenue measures are so drawn that they will give incentive to private enterprise and individual initiative if we are going to survive these debts and pay them off. That is the job we have undertaken.

I want to say for my committee and the members thereof on both sides—and this is no reflection on any other committee—that I do not believe any committee of the House has been more loyal and ardent in their efforts to bring about a recodification of our horse-and-buggy revenue laws which have not been revised in any great respect since 1875. We have had volunteered to us talent in the field of taxation that you could not buy for millions of dollars. They are sitting in and helping do the job, and they are doing it on a patriotic basis.

The other day when I asked for a vote, 11 members raised their hands and said they would sit here in hearings for a week beyond the adjournment of the Congress and would come back if they were asked to come back. That applies to the whole committee. It has a big work to do; we have big work ahead of us. We must not hamper our Government at this time. We cannot take chances with inflation. Where would your insurance policies go? Look abroad and see what happened. France suffered the least, perhaps, because she developed a certain drug that she could sell to the nations of the world. The people who owned gilt-edged investments in Germany only saved 14 percent. We have universities and colleges all over this country, and we have from 600,000 to 800,000 fine, young, ambitious Americans coming into our labor market every year. We have got to have revenue measures, and we have to be careful about our expenditures to the end that these young people can come in and be proud of our country and have a job in America when we in the sunset of life have passed on. You can almost see them as you walk down the avenues on the horizon, handsome, fine, young men and women with ambition, the future of America, whom we all love and try to protect.

No, Mr. Chairman, we must be sound in our fiscal affairs; we must preserve the credit of this, the great Nation that we believe it is, the greatest on the face of the earth. So, I urge upon you, on both sides of the House, do not endanger the credit and the character of this Government that now has taken a position of leadership in the world. Whether right or wrong, it is there, and I, for one, am pleading here, and I hope the day is not far distant when I can do what I have an ambition to do, to raise our revenue not by increasing taxes, but by lowering taxes and unshackling business so that it can move forward in the true American way.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New York.

Mr. KEATING. I want to commend the gentleman for the fine work he has been doing in this committee, and all of the members on the committee, and I thoroughly agree with what he has been saying. I want to ask about this particular measure before us, if the gentleman could answer two questions. One, how was the figure of $290 billion arrived at? Why was that picked out as the figure?

Mr. REED of New York. Well, I suppose that they figured out what their obligations were, and they wanted to have sufficient leeway to be sure that they could operate the Government and meet the payrolls until there was a turn in our economic situation.

Mr. KEATING. It does need some leeway.

Mr. REED of New York. It has to.

Mr. KEATING. Was any thought given in the committee to the proposition of making it a temporary increase in the debt limit rather than a permanent one?

Mr. REED of New York. No. We felt there should be no uncertainty about it; they should have that amount, and trusting that all of us are going to cooperate with the Government to reduce that amount just as fast as possible. I want to say to the gentleman that I thank him for his appearance before our committee in this recodification effort.

Mr. MASON. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Illinois.

Mr. MASON. The leeway that was asked for is about $6 billion, which is the rate of spending each month; in other words, they are wanting and desiring to have a balance that would at least cover 1 month's expenditures, and that is about $6 billion.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Washington.

Mr. HOLMES. You likewise have to take into consideration the fluctuations in the movement of revenues coming in and the movement of moneys going out, which, over a restricted period of time, might get into balance sometimes, even accounting for the $6 billion on a 30-day basis for operating functions, but there are many times within this debt limit that such movements of money require a large margin of operation.

Mr. REED of New York. That is true.

Mr. KERSTEN of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Wisconsin.

Mr. KERSTEN of Wisconsin. I want to compliment the gentleman for his very fine, patriotic speech. Particularly do I want to compliment him in regard to bringing about proper incentives for those who are moving into the scene, the young people, and also in regard to his concept for unshackling American business that is so badly needed.

Mr. REED of New York. I thank the gentleman. Let me say to the gentleman from Wisconsin that he certainly can be proud of the young folks he brought into the world.

Mr. GAVIN. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Pennsylvania.

Mr. GAVIN. I want to take this opportunity to congratulate my very dear friend on his remarks, a very forceful and dynamic statement. I want to tell you that I think you are a great American, one who has lived an unselfish life as a great civic patriot, a life of devotion and duty to your country. The gentleman deserves the heartfelt thanks and hearty commendation of the Members on both sides of the aisle for the fine service he has rendered to his country over a long period of years, a record of which he can well be proud. He appeared in my community many years ago and delivered an address on the American way of life and the free enterprise system. He was as firm in his convictions at that time as he is today. His district can well be thankful to have a man of his character and ability to represent them. We are proud of you DAN, you are a great leader and a great American.

Mr. REED of New York. I thank the gentleman.

Mr. MILLER of Kansas. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. MILLER of Kansas. I wanted to tell the gentleman that he almost persuaded me to vote for this bill.

Mr. REED of New York. I thank the gentleman.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New Jersey.

Mr. CANFIELD. I hope the applause that was just accorded the gentleman from New York will be heard far above Cayuga's waters.

(Mr. GAVIN asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield myself 5 minutes.

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I support H. R. 6672. It is regrettable that the present administration was not able to balance the budget and reduce taxes, as it had promised and hoped to do. However, we are faced with the fact that before the end of this year the Federal debt will very probably exceed the present ceiling of $275 billion.

I am sure that there is a reluctance on the part of many of us to face the possibility of our Federal debt being increased above the present ceiling. However, it seems to me that under present circumstances we have no choice but to increase the ceiling on the Federal debt. Expenditures have already been authorized and commitments have been made. Without an increase in the ceiling, it is very probable that toward the end of

this calendar year, we will not be able to meet some of our bills.

To those who feel that holding the present ceiling will cut down on expenditures, it appears that they are not approaching the problem realistically. In the first place, it is too late now to urge that point of view. In the second place, since we have been told by the Treasury Department that an increase in the ceiling is needed, and have been furnished with facts and figures showing why it is needed, I can hardly see that there is any choice but to increase the ceiling. The only choice that appears to be given us at this time is whether or not we vote to increase the ceiling now, or come back in a special session this fall and do it then.

As we know, a fiscal year begins on July 1 and runs through June 30 of the following year. At the end of fiscal year 1953, the Federal debt was $266 billion, and it is estimated that at the end of fiscal year 1954, the debt will be $273 billion.

The need for an increase in the ceiling is brought about primarily because the tax collections vary within a fiscal year in the case of corporations, so that for fiscal year 1953, for instance, three-fourths of corporate tax collections were made during the first 6 months of the calendar year, or the last 6 months of the fiscal year. Since the Congress has put corporations on a more nearly current tax-payment basis, and did this gradually, the outlook for fiscal year 1954—when corporations are approaching the point where they will be paying their taxes in the first 6 months of the year instead of throughout the year—will mean that even higher corporate tax collections will take place in the first 6 months of the calendar year than was true for 1953.

It is estimated that, due to the way the tax collections run, by December 31, 1953, the Federal debt will reach $277 billion. It has been pointed out to us that there are some expenditures which are very difficult of estimation, such as the farm-support program. For instance, the estimate of expenditures by the Commodity Credit Corporation last January was $803 million for the fiscal year just ended. Actual expenditures amounted to $1,888,000,000.

We know that expenditures are going to continue at a high rate for some time in the future. Also, there are termination dates contained in present law for tax increases made by the Revenue Act of 1951, by which certain increases will end during the current fiscal year.

Another unpredictable element in the picture is the variation between estimates of, and actual, tax collections. The January 1953 estimate was $3.5 billion more than actual collections turned out to be for fiscal year 1953.

Under these circumstances, it appears that the existing statutory debt limit must be increased, because as of right now, we are within $3 billion of the ceiling, and the present ceiling is so restrictive that it does not allow for the financial operating leeway necessary to conduct the Government's fiscal affairs effectively. If it should happen that the debt ceiling is not increased, near panic could be created. We must remember that not only are there psychological disadvantages to a so-called stretchout of expenditures, but contractors and others dealing with the Government have financial commitments of their own which would be jeopardized if the Government should be put in the position of trying to stretch out expenditures.

It is my hope that the bill will be passed.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Mr. Chairman, I yield 10 minutes to the gentleman from Rhode Island [Mr. FORAND].

Mr. FORAND. Mr. Chairman, I cannot for the life of me understand why there is so much rush to push this bill through the Congress. I cannot understand either why the officials of the present administration, who have had since early last November to study this situation, had to wait until the closing days of this Congress to bring this bill here. What is so secret about this thing? What is the great rush? I refer to the secrecy because I resent the fact that this morning a policeman was stationed at each door of our committee room to see that nobody entered except the members of the committee, the Secretary of the Treasury, and the Director of the Budget, and two of their assistants. I resent also the fact that we have absolutely no record of what these people told us except what was given to us in printed form. I made a motion that the meeting be open, or at least that we have a stenographer take down notes of that meeting. And what happened? By a straight party vote the answer was "No."

You go along a little further and you listen to these two gentleman presenting their side of the question. Members are allowed to ask a few questions. It all takes about 2¼ hours. Then in 2¼ minutes the bill is voted out.

Why could we not have an opportunity to have public hearings and have the representatives of the Federal Reserve Board, or even the members of the staff of the Joint Committee on Internal Revenue Taxation to give us the benefit of their views on this matter? Oh, no. We have got to take this package as it comes. We cannot even find out if there is something beyond what these gentlemen tell us. Is there something about this of which we should be suspicious? The atmosphere surrounding the activities leads me to believe that there is more to this raising of the debt limit than just the picture painted for us.

Under normal circumstances I would be glad to go along with my committee and further raise the ceiling on the public debt. I have done it before and I will do it again, provided I have an opportunity to know exactly what the situation is, that I have an opportunity to hear someone other than the Treasury people tell me that they cannot manage our public debt and handle our finances in any other way.

Is this a case of this new group that has taken over having announced to the country that they were going to change the manner of handling Government finances and the public debt? Is that the reason why we find ourselves in this position? I would like to know that.

This bill has been rushed through so fast that we were called into session this morning at 8:30 I will grant, as our chairman said, that we meet early occasionally. Yes, we have been meeting at 9 o'clock quite regularly, but never before at 8:30, to my knowledge. And then they tell us that the plan is to call up this bill under unanimous consent. Why, Mr. Chairman, I consider this a major piece of legislation, a matter in which the people of the country are vitally interested. And they have a right to be, because they are footing the bill. I see no logic in closing the doors and saying, "No, you stay out and we will have a cop keep you out while we go through these deliberations."

Are we ashamed to let the people know how we operate? I still cannot understand why we needed police protection this morning.

I realize that it is a rather difficult and embarrassing position for my good friends on the majority side, to come here and ask us to vote this type of legislation, because I well remember the campaign promises of the Republican Party to lower taxes and balance the budget. They said, "We are going to remove controls and prices will adjust themselves downward." And then, within a comparatively short time, they come in here and ask us to increase the public debt. Is it a case where they want the public debt to be increased so that they can lower taxes further? I say to you that in the last campaign the Republican orators were either very deceitful or very naive. I am going to be charitable and say that they were naive.

The idea of rushing this legislation through the Congress at this time on the theory that they do not want to hold up adjournment of this Congress does not appeal to me. Just as much as every one of you, I am glad when I have the opportunity to go back to my district. But I also realize that I have a responsibility. When I seek election I assume a responsibility. I am willing to stay here a few more days so that we may have the proper type of hearings, learn more about the situation, and even be convinced that this is necessary. Up until now I have not been convinced, because I have not been able to get the information I should like to have.

Mr. HARRIS. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. HARRIS. I can understand how differences of opinion may arise as to a question of the need for this legislation at this time, but no one seems to have offered any information that the debt will go beyond $277 billion during the next fiscal year, or during the next calendar year. I wonder why the effort to raise the limitation to $290 billion? Why not raise it to $280 billion or some amount more in keeping with the information as to what they expect the debt will amount to?

Mr. FORAND. I wish I could give the gentleman some explanation. The only

think they said was that they needed some leeway in addition to meeting the ceiling at this time.

Mr. CANFIELD. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. CANFIELD. I know the gentleman from Rhode Island is always very fair and wants to be so today. This Congress today has cut some $13 billion from the appropriations—that is, under the so-called Truman budget. Does the gentleman from Rhode Island think those cuts should have been deeper? And I wonder, if he does think so, if he will indicate where those cuts should have been made.

Mr. FORAND. I go along with the gentleman and with his committee when it has something on the floor of the House, for I know it has been given thorough study and deserves to be supported, and I have gone along with the gentleman's committee in the past and intend to go along with it in the future. I am not for cutting these things. What I am criticizing now is the method by which this legislation is before us. If the proper method had been followed, if we had been given an opportunity to study this thing, I perhaps would vote for an increase in the debt limit at this time. But I have not been convinced as yet that it is needed. If somebody can convince me, I will go along with it.

Mr. CANFIELD. Will the gentleman also answer this question: Were the hearings on prior bills to increase the debt ceiling open to the public or held over a period of days?

Mr. FORAND. I have been a member of the Committee on Ways and Means since 1943. I cannot speak for the time before that, but since then I say to the gentleman, "Yes."

Mr. CANFIELD. I am told that they were very cursory.

Mr. FORAND. Everybody who wanted to was given an opportunity to hear witnesses and ask questions; and I believe that is the way this thing should be handled.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. MULTER. Is it not a fact that no official document or statements presented to us indicates that this $277 billion debt limit will be reached before December 31, 1953?

Mr. FORAND. That is my understanding; and we were told that the Treasury intends to do some refinancing; I think it is $21 billion, although I stand to be corrected if wrong, and that they intend to do that sometime in October and that it takes a couple of months for this thing to be worked out. Therefore, I say there is ample time for us to give this matter proper consideration; and the only reason why this is being rushed, as far as I have been able to ascertain is that they want to let the boys go home.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. FORAND. I yield.

Mr. HOLIFIELD. I believe we all know that the interest rate was increased upon the national debt since the new administration came into power. I am wondering if this new increase in the national debt is to give them an opportunity to increase the interest rate on all the outstanding Government bonds?

Mr. FORAND. There is no question but that what there has been a great change in the way the finances of this Government have been handled. The interest rate has gone up on Government bonds and that has resulted in the interest rate going up on all credit.

I sincerely hope, Mr. Chairman, that all Members will give consideration to the fact that more time should be given to this before they vote for passage.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the distinguished gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Chairman, I want to take a half minute to point out the different effect that the meeting of the Ways and Means Committee held this morning had on two distinguished Members on the minority side. You listened to the speech made by the gentleman from Tennessee [Mr. COOPER]. The speech was that of a statesman. He was at the committee meeting from beginning to end and he heard the Secretary of the Treasury and the head of the Bureau of the Budget. The other speaker to whom I have referred spent most of his time talking about a policeman.

Let me explain that policeman incident to you in about half a minute. You know, the Ways and Means Committee room is a very large one. There is a long bench upon which the members sit. The 25 members of the committee fill the bench. The Secretary of the Treasury was to be there and some of his staff. The Chief of the Bureau of the Budget was to be there also. They attracted many newspapermen. Outside of the room in the hallway there were, I expect, 25 or 50 newspapermen, and there were many photographers with large flash lights. There were there some of the biggest picture-taking machines I ever saw. And again there were 35 or 40 prominent men and women who had come there to give testimony on another matter. That hearing was to commence at 10 o'clock. With all these people at the door somebody had to be at the door to see to it that they did not come in. That is all there was to it. We have some policemen around the Capitol. What are they for? We had one there to tell the folks we were not going to have an open meeting at that time.

Mr. FEIGHAN. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to my friend the gentleman from Ohio.

Mr. FEIGHAN. I just wonder if Secretary Humphrey advised the committee what method or fiscal policy he would pursue in the event he was called upon to raise additional money with the increase of the debt?

Mr. JENKINS. We did not necessarily have to go into that. He had come to discuss the raising of money. I will tell you what he did say to us. I know he comes from the gentleman's home city and I am pretty sure the gentleman has great respect for the financial ability of Mr. Humphrey, the Secretary of the Treasury.

The Secretary of the Treasury in all sincerity said that we ought to pass this bill. He told us why. What he said appealed to me tremendously. He said that there were many bills that he called c. o. d. bills that were coming in in great numbers and in great amounts. Of course, these debts had been incurred and must be paid. There is no use in saying that these debts were contracted in the Truman administration. That is nothing to throw up to anybody. The debts have been contracted and must be paid. The contracts have been awarded, and people are coming in to get their money. He says they are coming in faster than the money is coming in. We only have a margin of $2 billion. When the bills come in faster than the money comes in, what are you going to do about it? What is Mr. Humphrey going to do about it? What is anybody going to do about it? That is a very serious situation.

I have never been very much in favor of these bills providing debt limitations. Yesterday when I went into the meeting I had made up my mind that I was going to be against the program. I had the same reasons that I have heard advanced here today. But when I heard the facts, when I saw the maps and noted the sincerity of Mr. HUMPHREY and the Director of the Bureau of the Budget—I feel that they know their business, they are financiers, they do not deal in any sleight-of-hand performances—and when they came along and said that they want this done, I say if they want it done, I want it done.

This proposed legislation does not of necessity cost a dollar. This legislation does not mean we have to spend an extra dollar. Nobody is going to spend any money except upon the recommendation of the Appropriations Committee and upon the action of the Congress. Nobody can spend any money except through the regular constitutional and legal methods. I say again by way of emphasis what we are going to do here today will not cost a penny, it will not necessarily cost a penny. Why put up that bugaboo then? If we do not take in more than we spend there may be a crisis, and I do not want to be a party to it. If some big steel company or some other of the thousands of companies and persons that do business with the Government find that their account with the Government is in bad shape and a few of them ask for a few thousands of dollars on their account and the Treasury says, we do not have it, and that news goes out to the country, then there is bound to be a crisis when that news goes out to the country that the Government cannot pay its bills, I will tell you that we will have the worst panic we have ever experienced and it will come on immediately when the news goes out. If this legislation does not cost anything why not go ahead and do it, then we will be

safe and we will be following the advice of two of the best posted men in the country who know more about it than anybody else. If they, as I said before, say what and how they want it done, that is the way I want to do it, and thereby be safe.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. JENKINS. I yield to the yield to the gentleman from New York.

Mr. MULTER. I would like to have transmitted to me and to the other Members of this body the same feeling of sincerity that the gentleman has about these fine public officials that appeared before his committee. Does the gentleman not think it would have helped to transmit to this body their sincerity if there were questions put to them by your committee and their answers reduced to writing and submitted to us?

Mr. JENKINS. It was a matter of time. We did not have enough time. We did the best we could under the circumstances.

Mr. MULTER. No; it is not a matter of time. You could have questioned and they could have answered, and why can we not have those answers here?

Mr. JENKINS. It was answered definitely and positively by these two men who appeared before us this morning. They convinced me that they were thoroughly familiar with the situation and that they were honest. The President made an open speech a short time ago in which he said this ought to be done. I have a quote here from his speech. He said:

> We are up to $272 billion now and we will be up to more than that before the end of the year.

The President said that, and we should have paid attention to what he said. Instead of blaming the President, you and I ought to blame ourselves. Maybe I, or the Committee on Ways and Means, is responsible for it, but nobody wants to say that the Committee on Ways and Means has been loafing on the job for the last 2 or 3 months. The question was asked: What did they—Mr. Humphrey and the Director of the Budget—say about their program? They were very frank about it. Just as one of these Congressmen said, the money coming into the Treasury comes in irregularly. Sometimes it is $6 billion a month and sometimes it is not half that much. You can easily appreciate the amount of business that the Government does. The money does not come in at the rate of so many dollars a week; it comes in irregularly but it goes out regularly as long as the Government has the money. God forbid that the time ever comes when our Government cannot meet its bills and pay its current expenses. We should not take that chance.

Mr. EBERHARTER. Mr. Chairman, I yield 3 minutes to the gentleman from New York [Mr. MULTER].

(Mr. MULTER asked and was given permission to revise and extend his remarks.)

[Mr. MULTER addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from Michigan [Mr. HOFFMAN].

(Mr. HOFFMAN of Michigan asked and was given permission to revise and extend his remarks.)

Mr. HOFFMAN of Michigan. Mr. Chairman, the real issue, of course, in my opinion, would seem to be whether we will have on hand when payday arrives enough money to meet the obligations which have already been incurred and those which we will incur before payday rolls around. If we are to have enough money to meet our bills we do not need to raise the debt limit. If not, then to maintain our credit we must raise the limit and borrow to pay our debt even though we pass the burden on to future generations, mortgaging their future.

In my judgment, if we will practice economy we can balance the budget, pay our bills, and reduce taxes. That statement I make because of my experience here, my knowledge of the waste, extravagance, and needless expenditures the Congress has sanctioned.

An excuse in my judgment, not a reason, for raising the limit might be that we inherited our present obligations, we did not create many of them. We inherited them from the last two administrations. My votes did not impose these high deficits upon us. I have not had anything to do with creating this deficit because always I voted against, for example, the billions which have been wasted for foreign aid. Many of those other things which cost so much, gave us so little, I have opposed. Maybe they were necessary, maybe I was wrong. The result of the spending shows I was not. I am not responsible for the situation in which we now find ourselves. More than once I read to you President Roosevelt's warning, when in October of 1932 he said:

> Now, the credit of the family depends chiefly on whether that family is living within its income. And this is so of the Nation. If the Nation is living within its income, its credit is good.
>
> If, in some crisis, it lives beyond its income for a year or two, it can usually borrow, temporarily, on reasonable terms.
>
> But if, like a spendthrift, it throws discretion to the winds, is willing to make no sacrifice at all in spending, extends its taxing to the limit of the people's power to pay and continues to pile up deficits, it is on the road to bankruptcy.

A prophecy now come true.

Permit me to repeat. If we desired we could balance the budget. That would be a painful process but we could do it all right enough. The Congress is just a group of individuals. But we do not act as do individuals.

As individuals what do we do? We see something desirable when we walk down the street or read a catalog, an advertisement. We would like to have what we see or read about. But if we do not have the money and are wise as is the old-fashioned individual we do not buy it. We know the interest charge may sink us. That is all there was to it. If we are independent and do not want charity. Many a very desirable thing have I gone without because I did not have the cash to pay for it. Now, if we as a Congress should do the same thing, the country would not have a debt of $272 billion.

I am not talking against credit buying; that is all right, that may be necessary, but at least if we are to buy on the installment plan either as individuals or as a Nation, let us have some idea where we are to get the money to pay the obligations we incur.

Mr. CURTIS of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOFFMAN of Michigan. I yield.

Mr. CURTIS of Nebraska. The time to execute that high resolve is before the goods are ordered, is it not?

Mr. HOFFMAN of Michigan. Oh, sure. But for 20 years with the 2 years of the Republican 80th Congress that thought was not given consideration. So I do not now have real grief about my own part in this situation because I did not have anything to do with the wasteful throwing away of the tax dollars. I took my measure of criticism for voting the way I did. I have no regrets for the way I voted. I am reaping the reward now. I do not have on my conscience the worry about how or why we are in debt. But I do not have to vote to go further in debt unless I can see some good reason for doing so.

How can we balance the budget? Oh, in many, many ways. Here just the other day the Air Force came up with a report showing that in the Kaiser-Frazer contract for planes we had paid 1 million of tax dollars to those who are called roving stewards who had not done one single stroke of work for the $1 million they obtained.

Out in Kansas City we had testimony that other millions of dollars were paid on Government projects—paid for with Government money where no work had been performed.

All over this country of ours there are many, many other similar situations where on our Government construction work, where Uncle Sam's business and many of his purchases are made—I will not say all but many of them—are costing many, many times what they should cost because a group of extortionists are gouging the Government. And a committee which I established in an effort to end, or at least lessen, that waste was killed by the Committee on Government Operations except that it was given a permit to work for 60 days in just 2 cities—Kansas City and Detroit.

Then there is another situation in addition to the taxes levied by the Congress, the State, the municipalities, clear down to the township where the pockets of the taxpayers are picked. There is this group of racketeers. Are you sick and tired of hearing me talk about that? It would be a most interesting tale if I was permitted to tell it. This group of racketeers are collecting billions of dollars, and I am speaking advisedly, from the American workers and taxpayers and the more those gentlemen take out of the taxpayers, the workers, and Uncle Sam, the less there is for Uncle Sam to get through taxation and the less there is to put into active, worthwhile production. The only reason I would vote for it, if

I do, is because I would like to keep our credit good.

But why make that effort when this administration, though it has cut the Truman figures some $14 billion, has sanctioned foreign aid for 1954 in a sum a cool billion more than the aid given for the last year of the Truman outfit, yes, and has incurred obligations for general Government expenses which are $2 billion more than a preceding Truman year? The only conclusion I can reach is that the needless spending will cease when further funds are not available.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania [Mr. EBERHARTER].

Mr. EBERHARTER. Mr. Chairman, I am heartily in favor of the Mills motion to recommit with instructions so as to permit the raising of the debt limit to $290 billion for 2 years. Mr. Chairman, this afternoon there have been many statements made on the floor of the House by the proponents of this legislation, which now I am unable to deny. I am unable to say they are not the actual facts in relation to the fiscal situation because, unfortunately we have not had an opportunity to explore the situation, and we have not had an opportunity to see whether there was any possible avenue of approach other than the one which was suggested in this shotgun legislation proposal by the Secretary of the Treasury. Of course, all the evidence he presented to our committee today was presented yesterday at a news conference. The Secretary comes to our committee this morning and repeats the same statement to us that he gave out at the press conference yesterday, and we had only a few minutes to ask him some questions. Mr. Chairman, in this Chamber right now there are many Members who have served on committees of Congress for years. Have any of them experienced a situation where they were not even permitted to ask questions and get answers from the professional staff of their committee? We were not even permitted to find out from our recognized experts, who have been with the Government for a quarter of a century, whether they agreed with the statement and the figures of the Secretary of the Treasury.

Mr. Chairman, we all know the other body is not going to swallow this, and we should know that the Secretary of the Treasury is not going to say to it, in effect. "Here is a timetable when we want this finished." There is no necessity for pushing this legislation through like this. Mr. Chairman, when the Secretary of the Treasury comes before this body on the last day of the session and demands this legislation under a timetable limitation, is that going to increase the confidence of the country in his judgment as Secretary of the Treasury and as the manager of our fiscal affairs? Is it going to increase the confidence of the investors of this country in the stability of our financial situation to say that we must, without any study, immediately and in a panicky way increase the debt limit? We have spent hours upon hours and days upon days and even nights listening to the pleas for a tax reduction in every field. Yet, the Secretary comes here and asks for this immediate legislation. Is it because he knows he cannot balance the budget in the forseeable future? What do these pleas for tax reduction amount to? Is this serving notice to those pleading for tax reduction that they might as well give up?

What do those who are pleading for a balanced budget going to think about Secretary of the Treasury who comes here in the last days and practically gives us a timetable in which to give him legislative relief? Do they now have any hope for a balanced budget. If they did, this proposal today will lessen the confidence that that can be brought about.

Permit me to say that when the Committee on Ways and Means, and this applies to every committee, is cut off from inquiring from their own professional staff for facts and figures, and prevented from being able to question the soundness of proposals that are made, I think it has come to a pretty bad pass. Is there fear that we might find out that this proposal is not necessary? Or who is afraid of that? Why should the Secretary hold a press conference at 2 o'clock on Thursday afternoon and there present everything that he presented to our committee on this Friday morning? Why should there be a refusal to have even a stenographer present at our committee meeting this morning? Mr. Chairman, all of the evidence, charts, and all was presented to the press before any of it came to our committee. Of course I am not taking responsibility for any action such as is proposed by the majority. I want to know when I come to the floor and to this committee that I have had justification for recommending legislation, especially on a closed rule. In my opinion, sufficient justification for this proposal has not been presented to our committee. I hope the motion of the gentleman from Arkansas [Mr. MILLS] is agreed to.

The CHAIRMAN. The time of the gentleman from Pennsylvania [Mr. EBERHARTER] has expired.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Louisiana [Mr. BOGGS].

Mr. BOGGS. Mr. Chairman, I doubt if there is anything that could be added to the position of those of us who are opposing the adoption of this bill. It seems to me, however, that it fits in with some other things that have been happening here in the last few months. One of them is this whole question of interest rates. Interest on the national debt is one of our fixed charges. Each year we do not even legislate on the subject. Each year, in the fixed budget is an item taking care of interest on the national debt. This year it is about $6½ billion. Last year it was about the same.

Now today we are confronted with a proposal to increase the amount that the national debt may be raised to, and at the same time we have seen a policy go into effect, with not very much fanfare, of generally increasing interest rates all over this United States of America.

It does not take any great mathematician to figure out that if you pay interest on an average of 2.1 percent on $260 billion that the interest is going to be X billion dollars. If you raise that rate by one-half percent or 1 percent or 1½ percent, the amount you will have to pay as interest is also going to go up. In the approaching fiscal year alone, it is conservatively estimated that the increased cost of financing the national debt will be about $300 million.

Let me give you some figures that might interest you. Between December 31, 1952, and June 30, 1953, the average interest rate on 91-day bills rose from 1.9 percent to 2.25 percent, or a rise of 18 percent. Ninety-one-day bills rose to 2.24 percent on the last issue, June 4, 1953 . The rate on 1-year certificates was raised even more, from 1⅞ percent in 1952 to 2⅝ percent in May, 1953, an increase of 40 percent.

Finally, the rate of interest on long-term bonds has risen from 2.5 to 3.5; a rise of 30 percent, and there is no indication that this increase in interest rate has reached an end; as a matter of fact, when the Secretary was before the Ways and Means Committee some time ago I asked him how much financing had to be done between now and the beginning of the next fiscal year. He gave some figures which you have heard here today. The interlude between now and the first of January—because that is the time of the year, the last half of the calendar year and the first half of the fiscal year—is the period when the Government's income is the lowest and its outgo is the greatest. Therefore a great many of these 91-day papers are going to have to be sold as well as billions and billions of refinancing of long-term Government bonds. The Secretary said he did not know exactly what the rate would be. I asked: "Well, will it be 3.75?" "I do not know." "Will it be 4 percent?" "I do not know." I asked: "Will it be 4.2 percent?" He said: "I will not even think of talking about over 4 percent."

So it seems to me that we have a double-barreled proposition facing the fiscal welfare of the United States of America: No. 1, here is the proposal which raises the national debt limit to its highest level in peacetime and only $10 billion lower than it was at the peak of World War II; and while that is going on at that very time the interest rate is also going up so that the cost of financing the debt is going up along with the increase; and I say to you in all good conscience without partisanship, because I know that my colleagues on my left have worked diligently to work out this problem and I know how conscientious they have been about it, but I really believe that the procedure that we are following here today, the day before adjournment, to get a message, to come spend 1 hour listening to two Government officials and then to spend an hour or an hour and a half before the Rules Committee, 2 hours on the floor of the House of Representatives without the privilege of amend-

ment is a dangerous type of procedure at a time when the finances of this Government need a most careful and thorough consideration.

I shall support the motion to recommit offered by the gentleman from Arkansas.

This increase in rates on the Federal debt has had repercussions throughout the entire debt structure of the country. Together State and local debt and private debt amount to $361 billion. An increase of one-half percent per annum in interest rates will increase the annual interest paid on this debt by $1.8 billion.

In fact, a one-half-percent rise in private and in State and local government interest rates has already occurred. Interest rates on short-term business loans for borrowers with the highest credit ratings were raised from 2¼ percent in March to 2¾ percent effective June 1.

Rates on GI mortgage loans were increased from 4 to 4½ percent. Interest rates on automobile installment loans were raised from 5½ to 6 percent by the 3 largest automobile finance companies. Rates on Commodity Credit Corporation price-support loans to farmers were increased from 3½ percent to 4 percent.

In general, the result of the interest boosting program has been to increase the incomes of lenders at the expense of borowers, and also of taxpayers who are not necessarily borrowers.

The tight money program which accompanied the interest boosting program forced banks to sell about $4 billions of Government securities in the first 5 months of 1953 in order for some to avoid losses as prices of securities fell and also to enable them to obtain reserve in order to accommodate the credit requirements of their customers.

The decline in the prices of Government securities continued until June 1 when the 2½s fell below 90 and the newly issued 3¼s went to 98.

On that day most observers agreed that the market for United States Government securities had reached a state of disorder.

Along with the decline in Government securities prices, the prices of corporate and State and local bonds also fell. The aggregate fall in market value of public and private bonds in the first 5 months may have amounted to $10 billion. Some individual holders and some large banks took capital losses in order to reduce their tax liability. Other smaller investors and institutions not in so high a tax bracket suffered losses they could ill afford. Their confidence in the integrity of the Government's implied promise to support the bonds that helped finance World War II at par was shaken. The Government security market will be a long time recovering from the unstabilizing effects of the ill-fated experiment to establish a free market.

The tight money, high-interest rate policy ostensibly designed to curb inflation has been accompanied by a reversal of the previous downward trend in retail prices. Since Febraury, consumers' prices have risen 1 percent.

On the other hand, farm prices and farm incomes have been falling steadily. Wholesale prices of farm products are now 13 percent below last year.

The tight-money policy may not be unrelated to the unanticipated $3 billion short fall in Treasury receipts. It is noted, for example, that manufacturing production has fallen since March and that nonagricultural employment has failed to show any gain since February. Hours worked per week have also fallen. To the extent that employment and output do not expand, taxable income and tax receipts will obviously not rise as fast as had been anticipated.

Carryback and carryforward of capital losses on securities transactions may also serve to reduce Treasury receipts in the future.

Finally, the impact of the tight-money policy on future receipts must be considered. According to the July 1953 Monthly Review of Credit and Business Conditions of the New York Federal Reserve Bank, approximately $350 million of new issues planned, or 7 percent of gross new corporate security flotations in the first 6 months of 1953, were delayed or dropped altogether. The additional income and tax receipts that the one-third of a billion dollars in canceled capital expenditures would have produced is subject to a variety of estimates. But one thing we know for certain, these planned capital outlays were canceled. They are producing no additional jobs, income, material goods, or tax receipts.

The record of the first 6 months of tight money and higher interest rates has only been partly disclosed. Yet the cost to the Government and large groups in the national economy is already sizable. It is fervently hoped that the Republican administration will abandon this disastrous policy before the costs and damage seriously impair the national economy.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Georgia [Mr. FORRESTER].

Mr. FORRESTER. Mr. Chairman, today, at what we had been told would be the end of the present session, we are asked to raise the national debt limit to $290 billion.

This is a dark day for our country. We have now come to the point that everyone should have known would come. Profligate spending prompted by an utter disregard for the future has placed us where we are. There are few people surely, capable of thinking, that must not have known in their hearts that this day would arrive. I have known it. I have regretted and dreaded it. I have done my best to prevent it.

To those in this House who have advocated the idea that we could spend ourselves rich, I would like to hear what you have to say now. Over the years, those who dared to warn against this day have been hooted down, now I ask the intellectuals how they intend to solve this dilemma?

During the almost 3 years I have been here I have worried over the stupendous public debt. Not one time have I heard one serious suggestion whatsoever about paying or trying to pay it. As a matter of fact, I have heard some suggest that there was no need to pay it, that it was helpful to be in debt.

I wonder if the President's request for raising the debt ceiling has sobered us any? Certainly this country has been on a protracted drunk, but if this does not sober us, nothing will.

I remember the time down in Georgia when a man of limted means, but with a fairly good credit, got drunk at Christmas. While drunk, he thought it would be fine to buy many presents for his friends, and he did this by buying on credit. However, the next day he got reasonably sober and he spent that day taking the things back that he had bought when he was drunk and cancelling obligation he realized he should not have assumed. I wonder if we have as much sense as that drunk had? How about taking back some of the things we have done? What about foreign aid for instance? How about deciding not to buy seeds, fertilizers, farming equipment, and not to build roads, bridges, hydroelectric plants, dams, and not to furnish other and all luxuries we can think of, over the length and breadth of the entire earth while denying these to our own people? We have done these things for years and years. The intellectuals say of course, that if we stop, those people will not like us. Well, if they can forget the yesterdays so quickly, they did not like us in the first place. How about annulling the bill we just passed allowing over 200,000 immigrants to come to this country, out of which many thousands will be Communists, with us agreeing to spend 27 millions of the tax-payers dollars to bring them over? Most of us know the public does not understand that we are to pay their way over here. How can we justify raising the debt limit unless we annul the give-away of $100 million of agricultural commodities to people all over the earth, and then obligating the tax payers of our country to pay the expense of carrying the food to them, which will cost millions of dollars?

How about getting realistic for a change? How about stopping these private relief bills that floods the Congress? Most of these bills are complete give-aways of the people's money, without any legal or moral justification whatsoever. Many times bills paying out thousands of dollars are passed, although the person paid had sued the Government in the courts and lost their cases, even appealing to the Supreme Court, and the courts uniformly holding we owed them not one thin dime. You would be startled to know how many millions of dollars are thrown away in such a manner.

How about a complete determination that we are not going to spend this country into bankruptcy? I wish I could see some regard for our country's solvency. Today, the House Judiciary voted out a bill providing for a commission to study the question of raising the salaries of judges and Congressmen. What a sad commentary that is. The day we are asked to raise the debt limit, we find Congressmen voting to consider raising their salaries. No worse time could possibly have been picked. It reminds me of Nero fiddling while Rome

burned. It is sad to know that any Congressman could have had a salary raise on his mind this day, when he should have been thinking only of his country. What a precedent to set. We call ourselves leaders. If we are, we should lead in sacrifice also. How in the world can we expect to retrench and cut down when we are considering how many more dollars we can put in our pockets at such times as these? I say this without fear of successful contradiction: If Congressmen and judges cannot take the lead toward economy, then we have no right to expect anyone else to do so. Has the salt lost its savor? If so, wherein shall it be salted? I want the world to know that I condemn such suggestions at this time, and that I was recorded against that bill. I want the world to know that I do not believe everyone must have full compensation for every little act of kindness or consideration shown our Government. As a matter of fact, I feel that there are certain services that are not compensable in dollars and cents. I believe that my service in the Army was not compensable, and I think every veteran feels that way. Certainly, any Congressman, appreciating the honor of serving his people, should like to feel that he had rendered services over and above his compensation, and if he does not, he ought not to be in Congress.

Some time ago a mother carried her weak and emaciated baby to a doctor. The doctor examined the nervous little infant and wrote a prescription. The prescription read: "This little baby is sick. This little baby needs loving every hour." My friends, this country of ours is sick. This country needs our loving every minute. In times like these, anyone denying that love is unworthy of being called an American.

I cannot vote to raise the debt limit until I am convinced we have experienced a change of heart. If I thought we were ready to quit throwing away our future I might vote to make this raise. I have seen nothing to indicate that we have departed from the policy that will whip us more surely than any foreign foe, and therefore I shall vote to keep the debt ceiling as it is. It may be that this ceiling is all that stands in the way of the future of our children being destroyed. A great book says "He who looketh not after his own household is worse than an infidel." Harsh words, but true words. I am for protecting the households of our country first. I might add, that our fight against communism would not be so heavy or so costly if we hated communism in Washington, New York, Philadelphia, southern California, and other sections of our country like we say we hate it across the seas. I wonder "what profiteth a man if he gain the whole world and lose his own soul"? Our soul is being polluted here by isms unchecked and undisturbed while we ride over the other countries fighting the foes of democracy there, or claiming that we are fighting them. It would seem that commonsense should tell us that our first duty is to get rid of communism over here. If we did, who knows but what it would not assist materially in getting rid of communism elsewhere. Precept is good, but not so good as example.

Mr. REED of New York. Mr. Chairman, I yield 5 minutes to the gentleman from New Jersey [Mr. KEAN].

Mr. KEAN. Mr. Chairman, I want to address myself to the proposed recommittal motion which the gentleman from Arkansas stated he was going to offer. That is a motion in which he provides the debt limit be raised now to $290 billion, but that it must return to $275 billion on December 31, 1954. I cannot see the slightest sense to the date set in this recommittal motion planned to be made by the gentleman from Arkansas. December 31, 1954, seems to be about the poorest date that could possibly be found, because under the Mills plan corporations are now paying three-quarters of their taxes in the January-June period. I do not think I voted for that plan, but I have a good deal of sympathy for the idea behind it and I am not criticizing it here. Due to the fact, also that there is only one personal income tax payment in the second half of the calendar year on September 15, the Government income in the first 6 months is much smaller than it is in the second 6 months and, of course, expenditures in both halves of the year are approximately the same.

Now let us look at the record. Secretary Humphrey hopes and it is, I think, a very optimistic hope, that on June 30, 1954, the debt will only be $273 billion, but owing to the Mills plan and owing again to the fact there is only one income tax payment, and that on September 15, there will only be a small proportion of Government income come in in that period of the year. In fiscal 1954 it is estimated there will be only $27 billion revenue in the July-December period, while there will be $41,500,000,000 in the January-June period. Say that the 1955 expenditures are less by $10 billion, owing to cuts that the Congress has made and that taxes are not lowered, this will mean the spending of $32 billion in the next year in the July-December period against revenues of only $27 billion, or a deficit in that period of $5 billion.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. KEAN. I yield to the gentleman from Washington.

Mr. HOLMES. Right at that point, I noticed very carefully what the gentleman is saying. It is right at that point on the difference of revenue income between the first half and the last half of the fiscal year which is the basis for the Treasury asking for an operating leeway.

Mr. KEAN. That is right.

Mr. HOLMES. The Mills suggestion would obliterate the operating leeway there in the debt limit.

Mr. KEAN. That is completely correct, and what would happen under the Mills suggestion is that even with the optimistic figures of the Treasury of only a $273 billion debt on June 30 of the coming year there would be a $278 billion debt on the day that he wants the debt limit to go down to $275 billion. So, his suggestion is perfectly impracticable, and the only result of the date that the gentleman from Arkansas would set would be to force Congress to take action on the debt limit again just about the time of the 1954 congressional election. I do not believe that the gentleman from Arkansas has this political motive in this recommittal motion, but that is the result. Certainly the recommittal plan of the gentleman from Arkansas and the motion should be defeated if we have any intention of trying to get this thing out of the way and not take it up every year.

Mr. COOPER. Mr. Chairman, I yield 3 minutes to the gentleman from Texas [Mr. PATMAN].

EIGHT BILLION NINE HUNDRED MILLION DOLLARS IN BANKS ON DEPOSIT FOR TREASURY

Mr. PATMAN. Mr. Chairman, much has been said about the Treasury having eight or nine billion dollars in the Treasury. The truth is there is $8,900,000,000 in a number of banks throughout the country to the credit of the Treasury, in other words, deposits.

In years gone by the Treasury had a good source of income through deposits in the banks. The banks paid an interest rate for the use of the United States Government deposits. But that was changed many years ago. It should not have been changed. I think it was changed on a temporary basis and was never changed back. But now the banks do not pay anything for that money, although much of it was borrowed from the banks having it on deposit. The Government does not get anything for it, but the taxpayers are paying interest on it all the time. They are paying interest on that $8,900,000,000.

The information I have received from the Treasury is that the Government will not need as much as $8,900,000,000 between now and January 1. If the expenditures are expended as contemplated by the United States Treasury and the receipts are as contemplated by the United States Treasury, we will have a surplus of $3,200,000,000 under the debt limit if it is not changed at all between now and January 1.

I would not mind voting for this. It would not bother me at all. I have shown a disposition, I think, to cooperate with the present administration on matters of this kind. I am glad to do it. But there is no reason for this increase, none at all. Since there is no reason, I do not believe that the taxpayers should pay interest on that $8,900,000,000 and just let it stay in the banks unused, and raise the debt limit, and then raise more money at high interest to pay our expenses. I do not think we should do that. I do not think it is good business. I think we should go ahead and draw out that money as we need it. I would not be in favor of the Government being behind 1 minute on a bill, or 1 second. We must not permit any chaotic condition like that to occur. No one wants it to occur, no Member of this House. I certainly feel this is unnecessary or I would vote for it.

Another thing, I am disturbed because there were no adequate hearings. It oc-

curs to me it is belittling to the Members of the House and to the representative form of government to bring a bill like this in here under a double-gag rule, with no opportunity for amendment. Certainly we should take the time to adequately discuss before committees of this body and before this body matters of such major importance as this. I resent it being brought in in any such way as it has been brought before the House.

Mr. COOPER. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. O'BRIEN].

Mr. O'BRIEN of New York. Mr. Chairman, during my 2 years in the House I have been content to be one of the listeners, preferring to leave the talking to wiser and more experienced Members.

Today, however, I feel a deep and impelling need to explain briefly my views.

There has been some discussion as to the responsibility for the need to increase the national debt limit. It has been said that it is the impact of past appropriations and spendings. Some have said that it could have been avoided by lower appropriations this year.

I am not interested in the political implications because I believe the integrity of the United States is far too important for politics or political advantage.

In this savage world in which we live, the nations are choosing up sides. Many will go to the stronger side. Will those nations not regard as weak a country which might have to default on its obligations because we refused here today to lift the debt limit? Will they not be told by our enemies that the great United States is broke and bankrupt? We dare not risk the chance of blunting the weapons we already have forged in the cold war.

Mr. Chairman, if the occupant of the White House was a Democrat and he sent to us this bill, backed by the facts we have before us, I would vote for the measure. I would not be true to myself if I voted differently because the President today is a Republican. I shall support the bill.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri [Mr. CANNON].

Mr. CANNON. Mr. Chairman, no greater waste of opportunity can be effected in the administration of our fiscal affairs—at a time when we can least afford to waste opportunities—than in the enactment of this bill.

Never since the founding of the Government have the financial affairs of the United States been in such desperate straits. We owe more money, we are spending more money, we have a greater deficit than ever before, and more than half the purchasing power of the dollar has been wiped out. And the deplorable feature of the situation is that we are going ahead increasing the debt, just as we propose to do here in this bill, with no thought or program of retiring a dollar of the debt or even holding it down to present levels. We are today at the high-water mark, in amount of indebtedness, in rate of spending, in failure of income to meet disbursements, and in depreciation of our currency.

And now, instead of reducing the debt limit we are expanding it. It is the most engaging and enchanting invitation to extravagance and wreckless spending ever offered the career spenders of the Federal departments.

The amount of our debt is without precedent. The public debt has now risen to $272 million. At the close of World War II it was higher but the Appropriations Committee hurried back to Washington and after freezing every allocation, rescinded $64 billion, leaving a net obligation far below that of today. In February 1946, when the Federal debt reached $279 billion, the alltime high, the Treasury had on hand $26 billion, reducing the actual debt to $253 billion. We stand today on the lonely eminence of the greatest pile of IOU's in the history of this or any other nation.

To complicate the situation, the debt is increasing unchecked. No thought or attention is being given to either a short or long range program for retiring a dollar of the debt. On the other hand, revenues are being curtailed and income reduced at an alarming rate. On December 31, next, the excess-profits tax, bringing in $2.5 billion, and individual income taxes supplying $3 billion annually are automatically discontinued. The following March, corporation basic taxes and excise taxes, which together yield $3 billion, expire. The cancellation of these levies subtracts a total of $8,500,000,000 from the annual income of the Government, already in deficit.

In addition we have just increased the cost of carrying the national debt. The interest on the public debt in 1940 was $1,041,000,000. For 1953 it is $6,507,000,000 an increase of a little over 500 percent. Ninety-one day Treasury bills marketed recently at a discount rate equivalent to 1.877 percent a year are now 2.170 percent.

And today, in time of peace, we propose to pile the national debt still higher, with no attempt to plan for the retirement of a dollar of the ever-growing principal or interest.

Mr. Chairman, it is not necessary to raise the statutory debt limit. We can finance all Government operations to January 1 without increasing the debt.

A news release of July 23, 1953, reports that "Treasury experts advise Secretary Humphrey he can operate without an increase in the $275 billion debt limit."

The staff of our own joint committee likewise advise that an increase in the debt limit is not necessary.

The chairman of the House Committee on Appropriations, who has been closer to these problems than anyone else, on the Hill or downtown, also says there is no need to raise the ceiling.

And the distinguished chairman of the Committee on Ways and Means, who just addressed the House, said it was "quite possible" that we would get along without the raise. Like all Members of the House, I have the highest regard and admiration for the great chairman. One of the compensations of service here in the House has been the opportunity to sit with him as Gamaliel at the feet of Paul. While in Germany, I also saw depositors carrying money to the banks in baskets. But the way to maintain the credit of the United States is not to keep raising the debt and thereby further depreciate the buying power of the dollar. The remedy—and the only remedy—is to begin paying off the debt and reducing the debt limit and thereby restoring the value of the American dollar.

Both Chairman REED and I—and our parties—pledged the voters in the last election to balance the budget. We cannot balance the budget by increasing the debt limit.

We must either pay the debt or we must repudiate it, and we are already far down the road that leads to repudiation. Only drastic action can turn the tide. Let us demand of the Government spenders that they live within the budget—that the Nation live within its income; and the way to impress upon them that we propose to adhere to this course of action is to leave the statutory limit where it is and make it a constant reminder of the imperative necessity of retrenching expenditure and reducing the deficit as the only practical approach to a balanced budget.

To pass this bill is to give them elbowroom for further spending. To reject the bill is emphatic and unmistakable notice that the day is past for loose and irresponsible expenditure of money we do not have for things we can do without.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. REED of New York. Mr. Chairman, I yield 7 minutes to the distinguished gentleman from Wisconsin [Mr. BYRNES].

(Mr. BYRNES of Wisconsin asked and was given permission to revise and extend his remarks.)

Mr. BYRNES of Wisconsin. Mr. Chairman, now and then, we all, in our daily lives, as Members of Congress, or in our professions, have to face some unpleasant facts. That, I think, is what we are doing today. But as conscientious men and women we face up to them. We do not try to skirt around them or avoid them. That is what the administration is doing, and that is what this committee is doing today by bringing in this bill which will increase the debt limit by $15 billion.

I want to express admiration for the remarks of the gentleman from New York [Mr. O'BRIEN], who I think expressed quite honestly that if we had a Democrat in the White House today, he would be here today considering asking for an increase in the debt limit, and as a Democrat he would have voted for it. His conclusion nobody can contest or argue with. Because this request comes from a Republican administration is no justification for not standing up to it and voting for it.

If I thought this increase was an invitation to greater expenditures and increase in the long-run overall debt, I very definitely would be against it, but I have confidence, from what I have seen already in just 6 months in office, in the sincerity and purpose of the President of the United States, the Secretary of the Treasury, the Director of the Budget, and the rest of the administrative officials, to cut down expenditures, to cut down our national debt.

Unfortunately, certain fiscal conditions make it necessary that we take the action called for by this bill. There is only one reason for increasing this ceiling, and that is to provide a margin of safety in our day-to-day fiscal operations. The general trend of expenditures is down. This Congress has done a pretty good job of cutting appropriations. As far as the budget of new appropriations and new authorizations is concerned, we balanced that budget. We have authorized new appropriations of about $59 billion.

Our revenue estimate for this fiscal year is $68 million. Thus revenues will exceed appropriations for this fiscal year by about $9 billion. To me this indicates we are now on the road to reduced expenditures and balanced budgets. Unfortunately, however, we inherited some expenditures that we have to pay. When did we inherit them and how? Here is just a brief analysis of when it happened and how it happens and why we are in the situation we are in today as far as expenditures exceeding revenue receipts are concerned.

In the fiscal year 1950 we appropriated and spent $13 billion more than we took in. In 1951 we appropriated and spent $36 billion more than we took in. In 1952 we appropriated and spent $30.8 billion in excess of the revenue for that year. In the past fiscal year 1953, we appropriated and spent $15 billion in excess of the receipts for that fiscal year. So that our situation today is not of this Congress' making, nor can it honestly be said that it is of this administration's making, because the appropriations of this Congress approximate $59 billion, whereas our revenues for this year will be considerably in excess of that. It is this inheritance that puts our cash balance in a very difficult position.

The gentleman from Texas [Mr. PATMAN], tells us that we can skim through. Maybe we can. But it would be flirting with danger, when there is no need to flirt with that kind of danger. The Government's present cash balance is approximately $8.8 billion. If we assume that the Government borrows up to the present legal limit, it could increase this balance by perhaps an additional $3 billion, which would mean a maximum cash to operate with in the next 6 months of $11.8 billion.

However, the most optimistic estimates of expenditures that must be met between now and December 31, is $8.5 billion. This means that under the most favorable circumstances and conditions, the Government would not have over $3.3 billion on December 31, 1953. This money is spread out among 11,000 different banks. This $3.3 billion is approximately the amount the Government spends in 10 working days. This balance cannot be guaranteed. It is based on estimates. No one who is acquainted with the problems of managing the accounts and finances of a business the size of the Federal Government would consider this a safe margin. To force the Secretary of the Treasury to operate on such a close margin would be foolhardy. If we are to accept our responsibilities and act as reasonable people we will vote for this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. COOPER. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, I had not intended to speak on this bill, although I am going to vote for the bill as reported out of the committee. After listening to the remarks made by the gentleman from Wisconsin, [Mr. BYRNES] who did everything he possibly could to lose votes for the bill rather than gain votes, I am still going to vote for the bill, despite his argument. However, I feel constrained to make a few remarks.

The gentleman from Wisconsin [Mr. BYRNES] ought to know that the money that we have appropriated in the years that he mentioned and in the Congresses that he mentioned were for the defense of our country. What are we going to do, let our country become defenseless? The gentleman ought to know, if he does not—I do know—that about 84 cents out of every dollar that we appropriate is connected with preparations for our national defense if we are attacked; in payment of interest in connection with the expenditures of past wars, or in connection with the payment of compensation to veterans and the hospitalization of veterans. Everyone knows that that is the problem that confronts us. Also there are appropriations in connection with the agriculture of our country. The Commodity Credit Corporation spent a billion dollars more last year than was contemplated or that they expected to spend.

Now, getting down here and trying to make a speech that will lay the foundation for justification of some statements that were made by some may be all right, but it is not good statesmanship; certainly, it is not getting votes.

I am going to vote for the bill for the reasons stated by the gentleman from New York [Mr. O'BRIEN]. I do not want to see our Government between now and next January placed in a position where it cannot pay its bills, even for a week. I want our people to have confidence in our Government. I realize the present administration has its responsibilities. I think the edge is too thin now, a national debt of $272,400,000,000 with a $275 billion limit. We should not adjourn here without leaving some freedom of action, freedom of movement. So I am going to vote for the bill. I am going to recognize the merits of the case, the practicability of the situation, and do my duty as I see it. Anyone who disagrees with me and votes to the contrary, I thoroughly in disagreement respect their views.

I had not intended as I stated to make any remarks, but the statement that the gentleman from Wisconsin made forces me to disclose that I am going to support the bill, for whatever value it might have to my colleagues. I have given my reasons, despite the arguments made by the gentleman from Wisconsin.

The debate to date has been on a very high level, nonpartisan, on an understanding basis. When we had breakfast the other morning with the President of the United States he said in his opening remarks that he knew it would be approached from a nonpartisan angle. He presented a case to me which I could not resist, which in the exercise of my judgment and conscience I could not resist; therefore I could not vote against this bill under present circumstances.

Members can vote for the recommittal motion to be offered by the gentleman from Arkansas [Mr. MILLS]. I am not going to vote for it. I am going to vote against it. If that should carry it would meet a situation, but personally I am not going to vote for it because I think the bill reported out by the Committee on Ways and Means is the best way to meet the situation. I recognize the logic and the power of the arguments of those who say that they should not have waited until the last minute. Yes, I recognize that, but that is not a reason for my voting against this bill. Someone said that a tax bill should be sent up. I can see the logic of that argument, too, but one is not here, and I cannot use that as a justifiable reason to vote against the bill. So I see every reason why we should vote for the bill.

If anything were to occur between now and January next, it is going to up the national debt. There are many factors as to why it could be upped more than expected. Suppose something happens abroad? Suppose there is a further disturbance in the world situation, and God alone knows it is bad enough, it might be upped further. So we should give them a margin in which to operate.

I am going to vote for the bill because I think it is necessary and in the interest of our country and it is only fair to do so. As the gentleman from New York [Mr. O'BRIEN] said, if the Chief Executive was a Democrat by politics I would vote for it. Just because the Chief Executive is a Republican by politics I am not going to vote against it.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Washington.

Mr. HOLMES. To the distinguished gentleman from Massachusetts, may I say that I appreciate very much the point he has brought out and I congratulate him upon the attitude he has taken in regard to this legislation. He has brought out very vividly and clearly the necessary operating leeway in relation to the budgetary technique that is necessary. I appreciate the fact he has brought it out so clearly.

Mr. McCORMACK. If we were to defer paying our bills for 10 or 15 days as a result of our guessing wrong, it would cause a panic in this country. I am not going to take the chance of guessing wrong. Furthermore, a cushion of $15 billion under the circumstances to me seems to be reasonably necessary. If it does not go to that extent, why then there is no harm done. If it is necessary to go over $275 billion then if we fail to do it today, we are guessing wrong, and if we put our Government in the next 6 months in a straitjacket, it would cause serious repercussions that each and every one of us would regret.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. GWINN].

Mr. COOPER. Mr. Chairman, I yield 1 minute to the gentleman from New York [Mr. GWINN].

Mr. GWINN. Mr. Chairman, I feel like a man refusing to keep his expenses within his income, going to a bank to borrow $15 billion and saying to the banker: "I never intend to live within my income. What is more, I never intend to pay back the money I am borrowing from you."

If the Congress is unwilling to reduce its expenses to come within its income now, this year, in face of the compelling influence of a debt-limitation and a crisis, then will the Congress reduce the self same expenses which will be necessary to pay the loan that we propose to negotiate to pay the deficits? If we do not intend to reduce our appropirations how can we intend to pay our debts. Do we ever intend to pay them? The evidence and past performance is bad.

Why cannot the administration go back over these appropriations that are beyond our income and apportion the taxes it will receive so as to live within our income, especially in the nonmilitary functions of Government? Let us give the President power to reduce foreign aid, grants in aid, subsidies, and salaries for employees and bureaucrats. The appropriations for 1954 are $5 billion greater than Harry Truman himself spent. So we have in this regard outdone the New Deal, as shown by the following table:

Comparison of Federal spending for fiscal years 1952, 1953, with estimate for fiscal 1954, with analysis by objectives

Fiscal year	National income	Federal spending	Percent of income	National defense	Foreign aid	Grants-in-aid	Subsidies	Interest on public debt	Postal deficiency	Veterans and pensions	Balance other activities, salaries, etc.
1952	$279,900,000,000	$66,145,246,957	23.632	$40,765,509,620	$5,268,000,000	$2,365,000,000	$1,100,000,000	$5,981,357,116	$740,000,000	$4,902,000,000	$4,423,737,337
1953	295,600,000,000	74,607,420,232	25.000	44,352,427,642	5,531,784,161	1,860,000.000	1,500,000,000	6,507,592,635	690,000,000	4,335,124,217	9,830,491,577
Estimate, 1954	305,000,000,000	75,000,000,000	24.590	40,000,000,000	6,652,422	2,000,000,000	3,000,000,000	6,745,000,000	700,000,000	4,500,000,000	11,303,000,000

This estimate is conditioned on the slowing down of defense spending by 10 percent below fiscal 1953, increasing the subsidies to farmers and others and the allowable increase in the interest on the public debt.

The table points to possible savings of at least $4 billion by reducing the huge bureaucracy in the various departments and independent offices.

Payroll savings by a reduction in force of 50 percent, which it ought to be, would take care of about $5 billion in salaries plus another billion and a half in rent and travel and office expense.

When are we going to reduce and cut down this Socialist business that we have inherited and that we ourselves are now carrying on and financing by borrowing? Mr. Chairman, my proposition is that we tell the administration to take the money we have got and apportion it to the items in the excessive appropriations as far as it will go, but borrow no money beyond the present limit.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentlewoman from Illinois [Mrs. CHURCH].

[Mrs. CHURCH addressed the Committee. Her remarks will appear hereafter in the Appendix.]

Mr. REED of New York. Mr. Chairman, I yield 4 minutes to the gentleman from Michigan [Mr. KNOX].

Mr. KNOX. Mr. Chairman, as a newcomer to Congress, serving my first term, I came here with some fundamental and definite decisions, among which was that I was not going to vote for an increase of the national debt. Since I arrived here in the Congress I have had a liberal education. I have found out that the people of this great Nation have had the needle put in their arms a good many times, far more times, possibly, than was necessary.

Today we are faced with the question of increasing the national debt limit. As a newcomer to Congress, like the rest of the freshmen in this Congress, I may say that we possibly share no responsibility for the creation of this situation. But I recall that on the day this Congress convened, January 3, I raised my right hand and took the oath of office and said that I would uphold the Constitution of the United States. But may I say to you, and especially the freshmen Members, just what is the Constitution of the United States, and what would it amount to if the United States did not have any credit and the people had no faith in it?

This is a question of keeping and stabilizing the credit of this Nation, and restoring once again and keeping that faith of the people that when our debts become due we are not going to be hampered by a statutory provision that prohibits the administration from paying its legal debts.

I do not like to have to vote for the bill, but I am going to support it because I think I have a responsibility as a Member of this Congress to see that the credit and the faith of my Nation are sound.

As I go back and review the appropriations of this Congress and find that the Congress has decreased the appropriations recommended by the Truman administration by some $14 billion, it is hard to believe and understand why we are today requested by our President to raise the national debt limit. Those of us who have studied the question have found that the appropriations that are made by this Congress do not reflect the true spending of our Nation for this fiscal year. This is quite obvious because of the fact that today we are picking up the tabs for the commitments of the 81st and 82d Congresses. In other words, it means that the appropriations that were made by the 81st and 82d Congresses were not spent in the 81st and 82d Congresses but were committed to contracts whereby the contracts now have matured to a point where we are called upon to make payment for those commitments that were made by the 81st and 82d Congresses. This is adding some $81 billion to the actual operational cost of our Government.

It is astounding to find that at the end of this past fiscal year, June 30, our Government went $9.2 billion in debt, and from what figures we can obtain now, from the Treasury Department and Budget Bureau, showing the commitments that are still outstanding from the 81st and 82d Congresses, we find that we will have another deficit at the close of the 1954 fiscal year of $5½ billion. But following the close of fiscal year 1954, we then should have a normal decline in expenses of operation of Government. At that point the 83d Congress appropriations will start to reflect; it is rather disheartening to find yourself, after voting for all of the reductions in the cost of operation of Government, as I have; also, I have voted against the foreign-aid bill; I have voted against the DP bill which would admit 209,000 additional above the quota of 200,000 immigrants into our country in this next year. I have voted for the extension of the excess-profits tax, all in hopes that I could avoid this question which is before us now—the raising of the national debt limit.

Mr. Chairman, I find myself in a position of having to vote for the increase in the national debt limit in order to save the credit and faith of my Nation, so we may be able to pay our bills when they come due. The only heartening thing that I can see in this whole transaction of raising the national debt limit is that in 1954 the national debt will start to decline, and once again we would start to become responsible for our own obligations instead of passing them on to our children and grandchildren. To me, this is a must, and that is, to meet our own fair and just obligations without asking the next generation to do it for us.

Mr. Chairman, I also want to say that at no time was I ever advised until last May that we had these commitments that must be met. The commitments made by the previous Congress that have not been met amount to $81 billion. This is more money than what is taken in for 1 entire year through taxation.

It is my sincere hope—and I have all the confidence in the world—that the Eisenhower administration, with Mr. Dodge as the Budget Director and Mr. Humphrey as the Secretary of the Treasury, will watch the taxpayers' interests very closely to see that departments do not squander $1 of the taxpayers' money. Therefore, Mr. Chairman, I feel somewhat compelled today to cast aside my great desire—and that was to hold the national debt limit at the $275 billion mark—and avail myself and my vote in favor of this bill, so that my Nation may retain its credit and the people may have the faith that they should have in

our Nation's meeting its obligations to which previous Congresses have committed our Nation.

(Mr. KNOX asked and was given permission to revise and extend his remarks.)

[Mr. HALEY addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. COOPER. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas [Mr. MILLER].

Mr. MILLER of Kansas. Mr. Chairman, it seems to be the custom of the new Members to make apologies for appearing before the House. My only explanation is that the people should have sent me up here 20 years ago, and then I would not be a new Member. It seems to me also that the result of this problem—we say it has been the problem of the President of the United States, and it has been for 7 months—his predecessor had the same problem for 7 years—but the question before us now is, Shall we, or shall we not, increase the debt limit of this country to $290 billion? Are we, the Members of Congress, justified in taking for granted that the condition of the Treasury, taking into account the present assets, the anticipated receipts, and the present commitments, is such that the passage of this bill is necessary? I, for one, am willing to take the word and judgment of the President of the United States and his advisers on this matter.

Now, let me ask you, who made this debt limit, in the first place? The answer is, It was the Congress. That makes it our responsibility. Next, who made the appropriations that make it necessary to check on the Treasury? The answer is, It was the Congress. That also makes it our responsibility. Third, having created this dilemma, whose duty is it to remedy the situation, and the answer is the Congress of the United States.

I favor the passage of this bill.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Ohio [Mr. McGREGOR] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. McGREGOR. Mr. Chairman, I do not want to criticize any one, any Member of Congress or the administration, for voting for or advocating the increase of the debt limitation. Congress is to blame—let we Members of Congress assume that responsibility and not try to blame any one else for our present financial position. The Federal departments cannot spend the money unless we authorize and appropriate it. I simply want to state to the people it is my honor to represent, my reasons for voting against this increase.

Increasing the debt limitation means that the Congress will have more money to spend and this money will come from borrowing which must be paid by increased taxes. For several years I have been calling attention to what might be taking place and it was time for us to stop all expenditures except those which were necessary and essential.

If you will check my record you will find that I have voted against billions and billions of dollars of expenditures and you will also find I have not voted for appropriations or expenditures of money that would total, over our receipts, in excess of our present debt limitation. The records will show that I have voted against many billions of dollars of appropriation which would have kept us under our present debt limitation of $275 billion.

I am of the opinion that we conservatives who do not believe in the nonessential spending are still in the minority in Washington and in this Congress. Maybe we are wrong in our position. If I would vote for the increase in the debt limitation, I would simply be giving more money to that same group of spenders for them to spend as they have been doing in the past, and that would force additional taxes to be put upon the people. Perhaps I am behind the times and in the minority, but I cannot see my way clear to furnish the money to those who want to increase taxes and continue unnecessary expenditures.

For the sake of the record, may I call to your attention some statements I made within the last few years on this subject which appear in the CONGRESSIONAL RECORD on the dates shown. This same position I have maintained since I have had the honor of representing the 17th district of Ohio in the Congress.

June 5, 1951:

> The American people are taking a terrific beating because of the extravagant Government spending which means higher and higher taxes for the already overburdened taxpayers of our Nation. * * * But there is a tremendous waste all along the line in our Federal Government, and it must stop. The strictest economy must be practiced by those handling public funds to halt unnecessary expenditures. * * * The time has long past for we who are elected by the taxpayers to take matters into our own hands and really do something about economy in our Government for the benefit of our country and our own constituents.

June 27, 1951, during a debate on an appropriation bill, I stated, and I quote:

> I am definitely opposed to any expenditures, either civilian or military, that are not necessary. * * * The taxpayers are heavily burdened and no expenditures should be made on any projects regardless of whether or not they are in our own districts, that are not essential and absolutely necessary to our war effort. Let us forget selfish interests and remember that unnecessary expenditures lead to increased debt and higher taxes and will destroy the freedoms for which our boys are fighting. Economy should begin at home.

January 18, 1952:

> The condition of the world today demands that we spend enormous amounts for our defense program which means that in order to not have tremendous increases in taxes we must cut down and stop the unnecessary expenditures * * * we can only have what we can afford. There is no such thing as free money. * * * So the time has arrived for us to tighten our belts by being willing to do without that which we do not absolutely need.

March 18, 1952:

> The Treasury Department estimates that the interest on the national debt alone, starting in the new fiscal year next July 1, will cost the taxpayers $6,150,000,000. This is nearly twice the cost of all Government expenditures 25 years ago. It is time for all of us to stop and think.

April 10, 1952, during the debate on the civil functions bill:

> I feel the civil-works program should be subservient to the defense needs of the Nation and I do not believe we should begin any projects unless they are of an emergency nature during this critical period, and where it seems essential for tremendous expenditures to be made for the war effort.

April 28, 1952, during the debate on appropriation bills when the President was demanding that the Congress reinstate $6 billion which had been deducted from the President's budget, I said:

> Congress should stand by its guns even in the face of the threat of the President "that he will keep the Congress in continuous session until January if we do not appropriate the money he wants."

May 26, 1952, during the debate on the foreign aid bill I said and I quote:

> The problem confronting us was whether or not we could afford to continue to send money to foreign countries without jeopardizing our own economic and military position.

Mr. Chairman, I am willing to stand on my record.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from West Virginia [Mr. NEAL] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. NEAL. Mr. Chairman, the record of this day's discussions should mark it as a red letter day. It will prove to be the day of awakening to Members of the Congress, who, by their own admission have created the untenable position in which this Government finds itself. It will bring home to them that spending sprees must always be followed by a day when the checks must be picked up.

Unfortunately, it is not they but their constituents upon whom the burden of expense eventually falls.

It is not easy to vote to raise the debt limit of our Government, but in this case there is no alternative if the credit of the United States and the economic stability of the commercial world are to remain stable. Too many past commitments for defense materials and for economic aid to foreign nations, in addition to an unprecedented build-up of bureaucratic officeholders, empowered to distribute what remains after their take in wages and expenses, of the funds they extract from the unfortunate taxpayer, has involved our treasury in obligations so nearly aproximating the existing debt limit as to make this measure mandatory, if the credit of the United States is to be preserved.

The Treasury must pay for past commitments. It dares not exceed the amount appropriated during this session

of the Congress. The cuts in appropriations of the present Congress, amounting to nearly $14 billion will be reflected favorably in next year's budget.

As much as I dislike it, I shall vote for an increase, but will fight in the next session harder than ever to further reduce all Government expenses that can be clearly shown can be eliminated or curtailed.

Mr. REED of New York. Mr. Chairman, I ask unanimous consent that the gentleman from Kansas [Mr. REES] may extend his remarks at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REES of Kansas. Mr. Chairman, I, too, regret this legislation comes late in the session. I do think there are a few things that require clarification. This bill will neither increase nor reduce the public debt. As I understand the situation, the debt has almost reached a limit the Congress fixed 2 years ago. This does make sure that our obligations will be paid if they go beyond the limit of $275 million. I remind you this House has already voted all of its bills for this year. This measure, if I understand it right, provides that obligations already incurred—will be paid. What else can you do now.

I am surprised that some of those who are complaining about this bill, are among those who voted for huge increases in appropriations when they were considered on the floor of this House, even during this year.

This $272½ billion, except a small share, was either authorized or appropriated before January 1 this year. Before this administration took over. So, to be fair, this administration has cut the proposed budget of the former administration as much as $9 billion. I think it is also fair to say, that although in my judgment the present administration has been liberal in some respects in its spending, it has been a lot less expensive than the administration in power last year.

Mr. Chairman, look at these figures. In the fiscal year 1950 our Government went in the red $13 billion above the then mounting debt. In fiscal 1951, it went $36 billion further into debt. That is it lacked $36 billion of balancing the debt. Then in 1952 it went $30 billion further into debt. Is it any wonder our country is almost on the verge of bankruptcy. Those who were liberal in spending are not in very good shape to complain today. Perhaps, the saying "The chickens are coming home to roost" will apply here today. In any event those who have been so liberal in spending taxpayers' money, might have saved a part of the difficulties in which we find our country today.

Mr. Chairman, in recent years I have voted against huge amounts of funds being spent in foreign countries. Most of the time I was in the minority. I certainly do not criticize those who differ with me. Only recently I did not see fit to go along with my fellow Members in authorizing and appropriating billions of dollars to other countries. I thought the amounts could at least be cut deeper. Again, I was way in the minority. I believe those in charge of spending could spend judiciously some of the expended balances, if the need were there. Again, I find no fault with those who look at the situation differently. Perhaps the consideration of this legislation will emphasize to Congress and to the people what has been going on with respect to our fiscal situation in recent years.

This legislation will not increase the debt. The obligations have already been made. You can not very well go back now and rescind or repudiate an obligation already made. You can not say now that veterans will have to wait for their pensions, that employees will need to wait for their pay, that Government bondholders will wait for their interest. of course not. But when we further consider appropriations for projects authorized 1, 2, 3 or more years ago, we might make a little more sure in our expenditures whether they are really needed in the light of the fiscal condition of the Federal Treasury.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. BENDER].

Mr. BENDER. Mr. Chairman, I am voting for the increased debt limitation proposal to show by personal confidence in President Eisenhower.

The Republican national administration has already shown its good faith to the people of America. We have already chopped off some $13 billion of proposed expenditures submitted to Congress by President Truman. There is not doubt whatever that we shall be cutting waste, extravagance, and duplicating services throughout the next 4 years.

I, for one, would not support the proposal to raise the debt limit if I were not convinced that this is true. President Eisenhower and our Secretary of the Treasury, George Humphrey, would not be asking for this measure if they did not believe it to be essential to our national-debt position. I am voting to sustain their efforts with the conviction that the debt limitations which they are asking will not be reached. We have not lost sight of our goal—a balanced budget and a stable economy.

Mr. COOPER. Mr. Chairman, I yield such time as he may desire to the gentleman from Massachusetts [Mr. PHILBIN].

Mr. PHILBIN. Mr. Chairman, it is most regrettable that this measure was not submitted to the House before these closing days of the session. Surely the true fiscal conditions justifying the measure were known to the Government and the leaders of the administration months ago. I should much prefer that the matter had been frankly and candidly presented to the House sufficiently in advance of the close of the session, so that the Members would have had fuller opportunity for careful consideration and deliberation.

Bringing any measure before the House at the last moment with the thought that it can be passed through the House in the confusion and pressure that always attends the close of a session is decidedly questionable and an affront to the collective and individual intelligence of this distinguished membership. It is a practice that could be justified only by genuinely emergency conditions not previously known to the leadership and which developed speedily, suddenly, and unexpectedly. I hope there will be no repetition of this procedure because it represents a pattern which is extremely distasteful to many Members and which has no justification in parliamentary law or in the finer ethical principles which should always govern the conduct of this House and our relationships with our colleagues.

The matter proposed is of highest and weightiest gravity. The debt limit is inextricably bound up at this particular period in the economic cycle with the credit of the United States. The factors of the question are exceedingly complex. The national debt, the budget, the tax structure, our operating revenues and balances, our current and future legal obligations, and many other factors are all part of a delicate and very complicated mechanism of which only trained financial experts have detailed and accurate knowledge.

But the facts upon which this House must act are simple. We are familiar with the appropriations we have made for the fiscal year. We have the statements of current balances and estimated revenues up to next January and the rest of the fiscal year. We know that under the present debt limit between now and the first of the year, the operating balances of the Government in many parts of the Nation and the world will be so low as to jeopardize the credit of the United States. This Congress cannot permit a situation to develop as a result of its action or inaction that would render the Government unable to meet its current liabilities, pay its legal bills, and raise money and incur debt, if necessary, to discharge all its obligations.

I am not much impressed by the arguments of the opponents. Obviously, this issue goes beyond partisanism and it goes beyond valid and commendable efforts to install greater economy. We cannot use this critical situation to press for budgetary reforms or cuts in appropriations already passed by this House. That would be most irregular as well as dangerous. To try to engage in the general and large-scale rescission of current appropriations that would be necessary to avoid raising the debt limit would present a hopelessly bewildering and dangerous prospect. In the end, even if these rescissions could be effected, not only might these drastic measures work incalculable damage and harm, but there is no assurance by any means that they could accomplish the desired result of keeping the debt under the present limit. I would not approve such a solution.

I am not prepared to traffic with the credit of the United States, and I am not prepared to meddle with our system of making appropriations and disbursements for this Government. But in the interest of solvency, soundness of our currency, our credit at home and abroad, and of meeting all our obligations on time, I am constrained to support this bill and urge its favorable consideration by the House.

(Mr. PHILBIN asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Chairman, I yield 1 minute to the gentleman from Texas [Mr. MAHON].

Mr. MAHON. Mr. Chairman, I yield back the balance of my time.

Mr. COOPER. Mr. Chairman, I yield the remainder of the time of the gentleman from New Jersey [Mr. SIEMINSKI].

The CHAIRMAN. The gentleman is recognized for 3 minutes.

Mr. SIEMINSKI. Mr. Chairman, I think it is important, as a matter of strategy, especially on the Democratic side, to realize the potential play involved here, a possible booby trap come the next primaries and the congressional elections. The claim could well be made that the debt has been reduced $15 billion, if you approve this resolution and do not go the way of Mr. Mills.

How do I figure it? From $275 billion now you want to go up to $290 billion. It is admitted that by next January it will be down below $275 billion; so, come primary elections, in the public mind, the impression can be bruited that the debt was reduced from $290 billion to below $275 billion, or over $15 billion, when, actually, it was not so. It can be a nice game, a shell game, if motives are impugned, and propaganda runs wild.

I think it would be wonderful for Congress to start talking about its own budget record and what it has done with Executive requests for money. Everyone talks about the Eisenhower budget as against the Truman budget. There is no talk here as to what Congress has approved over a period of time, whether it be the Truman request, the Eisenhower request, or past Executive requests. I think there is yet convincing argument to be presented to the House that Mr. Mills does not have a practical approach. It is significant that the distinguished Secretary of the Treasury and the distinguished majority leader have, to my knowledge, refrained from valid criticism of it.

All of the above does not in any way reflect on a possible need arising for the Treasury to be able to lay its hands on cold cash which the Mills plan, or the other plan seek to make available. It seems to me the Mills plan lays it on the line, tells the people that the need for added cash might arise, temporarily, this October, November, and December, and then recede in 1954. A denial of the Mills plan enables, it seems to me, shell artists to keep crying about having "inherited" the responsibilities of Government, instead of having fought for and won the honor of solving Government problems.

Mr. REED of New York. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. CURTIS].

Mr. CURTIS of Nebraska. Mr. Chairman, I shall support this resolution because I think it is absolutely necessary. My chairman, the gentleman from New York, DAN REED, thinks that this measure is necessary. He is not a reckless spender. He is one of America's foremost fiscal authorities. I respect his judgment.

I want to pay my respects to Mr. COOPER, the ranking minority member on our committee, for the statesmanlike way in which he has assisted in bringing this measure to the floor and speaking for it. And I am glad that the minority leader has done his bit, too.

You know, I am just a little bit disappointed that inadvertently something was said about the Mills plan in certain releases that were made by the Treasury Department. I do not think they were intended as critical of Mr. MILLS. Whatever was put in the 1950 act was approved by the Ways and Means Committee and passed by this House. Certainly there was no intention to imply that some action proposed by Mr. MILLS had caused this Government to spend more than it took in. While the Mills amendment does create an unlevel flow of revenue, the fact remains that we are this year collecting more money because of the Mills amendment. The amendment has certain disadvantages, but our basic trouble is that Congress has spent too much money.

Like most Americans I have held the statutory debt limit as a symbol; and, therefore, this has been a soul-trying ordeal. I have introduced a proposed amendment to the Constitution to prohibit an increase in the debt but that can become effective only by action before appropriations are made. Our problem today is that Congress has in the past appropriated too much money. We have authorized too much Government.

This little bill here today is not the action that has caused expenditures to go above the $275 billion limit; this bill does not create debt. The refusal to pass this will not lower the debt of the country 1 cent. Our debts consist of everything we owe, including unpaid bills, bonds, demands, matured contracts, obligations, and claims including checks to be honored.

The Congress has created these debts. I am not singling anybody out; the Congress collectively, you and I, have, day by day, month by month, year by year, by the sum total of our actions on appropriations and authorizations, by the sum total of the policies and the programs the legislative committees have authorized, has caused expenditures to exceed the amount of money that is coming in. In fact, there are about $41 billion of c. o. d. orders that will be coming in during this next year. Shall the Secretary of the Treasury pay for these orders or not? Those bills will be presented to the Secretary of the Treasury. If we would deny him this authority to issue bonds we would not lessen the debt; we would probably create chaos and we might cause a panic and send our economy into a tailspin.

Refusal to pass this bill does not lower the debt; this measure merely grants the power to the Secretary of the Treasury so that he can pay the bill that we have created.

We are all responsible, maybe some in greater degree than others, but Isaiah of old said, "All we like sheep have gone astray." We have over a period of years voted for more government than we can pay for; but the debt is here. Shall we give the Secretary of the Treasury the authority to meet these bills and avoid disaster? Refusal to pass this bill does not do away with any of the debts of the country. This is a measure designed to deal with obligations already created.

This morning when the Secretary of the Treasury and the Director of the Budget were before our committee, I asked the Director of the Budget: "Will this be interpreted by the departments, by the budget officers, and by the Cabinet members and other responsible officials as a sign that they should relax and not make every human effort to practice economy?" He said, "No; it would not."

This is a conservative Congress. We have cut the budget by almost $14 billion. This Government is committed to reduced expenditures and budget balancing. This action today need not be a go-ahead signal for reckless spending. Rather it is coming to grips with a grim reality—that payday is here.

There was raised the question of stretchouts and slowdowns. Now, that can be done to a degree and it will be done, but it cannot completely solve the problem we face. In reference to new starts for something that we are going to buy or going to order or about to contract for, we can delay and slow down the spending. The Director of the Budget said that will be done. But when a tank is delivered, you cannot then slow down the paying for it. When the Congress has voted a benefit and the check is shoved into the bank window for cashing, you cannot slow down at that time.

Something has been said about the figures offered by Senator BYRD.

I do not know the exact source of Senator BYRD's figures. I have put some figures together myself from the most recent daily Treasury Statement, July 28, and from the Treasury's estimates of receipts and expenditures for the current half of the fiscal year, as given to the Ways and Means Committee this morning. I came out with the following result.

On July 28 the cash balance was $8.8 billion and the debt subject to the legal limit was $272 billion. The projected deficit for the 6 months period July-December is $10.5 billion. Through July 28, a deficit of $2 billion had already developed, leaving an additional deficit of $8.5 billion for the rest of the period through December. With the cash balance of $8.8 billion and additional borrowing capacity of $3 billion, a total of $11.8 billion, it might appear that the Treasury could get by and end up with a cash balance of $3.3 billion.

But a balance of $3.3 billion is just too small for safety. It would cover only about 10 working days. The cash balance of $6 billion which the Treasury has assumed in the figures given the committee is the same as that used in President Truman's budget projections. It represents less than 1 month's expenditures.

The cash balance in recent months has fluctuated by more than $3 billion within a single month. Furthermore, the tight financial condition which will develop in December will continue through mid-March, until the big tax collections come in after March 15.

It just is not possible or safe to try to operate a business as big as the United States Government for several months with a balance that will cover only a few days' expenditures.

Furthermore, the estimates of receipts and expenditures make no allowance for contingencies. We know that tax receipts in the 6 months from January to June fell below the estimate made early last January by $3.5 billion. And on the expenditures side, outlays by the Commodity Credit Corporation were more than a billion dollars above the January estimates. Emergencies like this can happen at any time; the Treasury has to be in position to meet payments when they fall due.

The spending has been done. The debts have been created. The bills are coming in. This measure is necessary so that the Treasury can make settlement. It is a must that cannot be avoided.

The only way to stop increasing the debt is to reduce spending. This hard and discouraging task must be undertaken by the Congress with renewed vigor and determination. We must reexamine all our programs, both foreign and domestic, and reverse the trend or disaster will be our lot.

Mr. REED of New York. Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. SHORT].

Mr. SHORT. Mr. Chairman, first I want to congratulate the gentleman from Nebraska, a hard working, courageous, conscientious, and capable Member of this House who has taken his intrepid stand on this controversial bill. When this proposition was submitted, I was inclined to be against it. The raising of the national debt is abhorrent and repugnant to all men. Raising the debt limit is an invitation to wasteful spending. The psychology is bad. However, we face a fact and not a theory. But let us bear in mind that the debt limit is the result and not the cause of Government spending, it is the result not the cause of Government spending, I repeat, and the debt limit will never enforce economy. That has to be achieved by other means. Stop giving America away.

I am not happy but am constrained to support this bill. There is no other way out of our present sad dilemma.

The CHAIRMAN. Under the rule, the bill is considered as read.

(The bill is as follows:)

Be it enacted, etc., That section 21 of the Second Liberty Bond Act, as amended, is amended by striking out "$275,000,000,000" and inserting in lieu thereof "$290,000,000,000."

The CHAIRMAN. Are there any committee amendment?

Mr. REED of New York. No, Mr. Chairman.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ALLEN of Illinois, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 6672) to increase the public debt limit, pursuant to House Resolution 375, reported the bill back to the House.

The CHAIRMAN. Under the rule, the previous question is ordered.

The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. MILLS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. MILLS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. MILLS moves to recommit the bill to the Committee on Ways and Means with instructions to that committee to report the same back forthwith with the following amendment: Strike out all after the enacting clause and insert the following: "That during the period beginning August 1, 1953, and ending December 31, 1954, the debt limit specified in the first sentence of section 21 of the Second Liberty Bond Act, as amended (31 U. S. C., sec. 757 (b)) shall be $290,000,000,000 in lieu of $275,000,000,000."

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 173, nays 225, not voting 33, as follows:

[Roll No. 119]

YEAS—173

Abbitt
Abernethy
Addonizio
Alexander
Andrews
Ashmore
Aspinall
Bailey
Barden
Barrett
Battle
Bennett, Fla.
Bentsen
Blatnik
Boggs
Bolling
Bonner
Bowler
Brooks, La.
Brooks, Tex.
Brown, Ga.
Buchanan
Burleson
Byrd
Byrne, Pa.
Camp
Campbell
Cannon
Carlyle
Celler
Chelf
Chudoff
Colmer
Condon
Crosser
Davis, Ga.
Davis, Tenn.
Dawson, Ill.
Deane
Delaney
Dempsey
Dodd
Dollinger
Donovan
Dorn, S. C.
Dowdy
Doyle
Eberharter
Edmondson
Elliott
Engle
Evins
Fallon
Feighan
Fernandez
Fine
Fisher
Forand
Forrester
Fountain
Frazier
Friedel
Garmatz
Gary
Gathings
Gentry
Granahan
Grant
Green
Hagen, Calif.
Haley
Hardy
Harris
Harrison, Va.
Hart
Hays, Ark.
Hays, Ohio
Heller
Herlong
Holifield
Holtzman
Howell
Ikard
Jarman
Jones, Ala.
Jones, Mo.
Jones, N. C.
Karsten, Mo.
Kee
Kelley, Pa.
Kelly, N. Y.
Keogh
Kirwan
Klein
Landrum
Lanham
Lantaff
Lucas
McCarthy
McMillan
Mack, Ill.
Madden
Magnuson
Mahon
Matthews
Metcalf
Miller, Calif.
Mills
Mollohan
Morgan
Morrison
Moss
Moulder
Multer
Murray
Norrell
O'Brien, Ill.
O'Brien, Mich.
O'Hara, Ill.
Passman
Patman
Patten
Perkins
Pfost
Pilcher
Poage
Polk
Preston
Price
Priest
Rabaut
Rains
Rhodes, Pa.
Richards
Riley
Roberts
Robeson, Va.
Rodino
Rogers, Fla.
Rogers, Tex.
Rooney
Roosevelt
Secrest
Selden
Shelley
Sheppard
Shuford
Sieminski
Sikes
Smith, Miss.
Smith, Va.
Staggers
Steed
Sullivan
Sutton
Teague
Thomas
Thompson, La.
Thompson, Tex.
Thornberry
Trimble
Tuck
Wheeler
Whitten
Wickersham
Wier
Williams, Miss.
Willis
Wilson, Tex.
Winstead
Yates
Yorty
Zablocki

NAYS—225

Adair
Albert
Allen, Calif.
Allen, Ill.
Andersen, H. Carl
Andresen, August H.
Angell
Arends
Auchincloss
Ayres
Baker
Bates
Beamer
Becker
Belcher
Bender
Bennett, Mich.
Bentley
Berry
Betts
Bishop
Boland
Bolton, Oliver P.
Bonin
Bosch
Bow
Boykin
Bramblett
Bray
Brown, Ohio
Brownson
Broyhill
Budge
Burdick
Busbey
Byrnes, Wis.
Canfield
Carrigg
Case
Cederberg
Chenoweth
Chiperfield
Church
Clardy
Clevenger
Cole, Mo.
Cole, N. Y.
Cooley
Coon
Cooper
Corbett
Cotton
Coudert
Cretella
Crumpacker
Cunningham
Curtis, Mass.
Curtis, Mo.
Curtis, Nebr.
Davis, Wis.
Dawson, Utah
Derounian
Devereux
D'Ewart
Dondero
Donohue
Dorn, N. Y.
Durham
Ellsworth
Fenton
Fino
Ford
Frelinghuysen
Fulton
Gamble
Gavin
George
Goodwin
Graham
Gross
Gubser
Gwinn
Hagen, Minn.
Hale
Halleck
Hand
Harden
Harrison, Nebr.
Harrison, Wyo.
Harvey
Heselton
Hess
Hiestand
Hill
Hillelson
Hillings
Hinshaw
Hoeven
Hoffman, Ill.
Hoffman, Mich.
Holmes
Holt
Hope
Horan
Hosmer
Hruska
Hunter
Hyde
Jackson
James
Javits
Jenkins
Jensen
Johnson
Jonas, Ill.
Jonas, N. C.
Judd
Kean
Kearns
Keating
Kersten, Wis.
King, Calif.
King, Pa.
Knox
Krueger
Laird
Lane
Latham
LeCompte
Lesinski
Long
Lovre
McConnell
McCormack
McCulloch
McDonough
McGregor
McIntire
Mack, Wash.
Mailliard
Marshall
Mason
Meader
Merrill
Merrow
Miller, Kans.
Miller, Md.
Miller, Nebr.
Miller, N. Y.
Morano
Mumma
Neal
Nelson
Nicholson
Oakman
O'Brien, N. Y.
O'Konski
O'Neill
Osmers
Ostertag
Patterson
Pelly
Philbin
Phillips
Pillion
Poff
Prouty
Radwan
Ray
Rayburn
Reams
Reece, Tenn.
Reed, N. Y.
Rees, Kans.
Rhodes, Ariz.
Riehlman
Rivers
Robsion, Ky.
Rogers, Colo.
Rogers, Mass.
Sadlak
St. George
Saylor
Scherer
Scott
Scrivner
Scudder
Seely-Brown
Sheehan
Short
Simpson, Ill.
Simpson, Pa.
Small
Smith, Kans.
Smith, Wis.
Springer
Stauffer
Stringfellow
Taber
Talle
Thompson, Mich.
Tollefson
Utt
Van Pelt
Van Zandt
Velde
Vinson
Vorys
Vursell
Wainwright
Wampler
Warburton
Weichel
Westland
Wharton
Widnall
Wigglesworth
Williams, N. Y.
Wilson, Calif.
Wilson, Ind.
Withrow
Wolcott
Wolverton
Young
Younger

NOT VOTING—33

Bolton, Frances P.
Buckley
Bush
Carnahan
Chatham
Dague
Dies
Dingell

Dolliver	Kluczynski	Regan
Fogarty	Lyle	Schenck
Golden	McVey	Shafer
Gordon	Machrowicz	Spence
Gregory	Martin, Iowa	Taylor
Hébert	Norblad	Walter
Kearney	O'Hara, Minn.	Watts
Kilburn	Powell	
Kilday	Reed, Ill.	

So the motion to recommit was rejected.

The Clerk announced the following pairs:

On this vote:

Mr. Kearney for, with Mr. Norblad against.

Mr. Taylor for, with Mrs. Frances P. Bolton against.

Mr. Gordon for, with Mr. Martin of Iowa against.

Mr. Carnahan for, with Mr. Kilburn against.

Mr. Buckley for, with Mr. McVey against.

Mr. Hébert for, with Mr. Dingell against.

Mr. Regan for, with Mr. Golden against.

Mr. Machrowicz for, with Mr. Reed of Illinois against.

Mr. Chatham for, with Mr. Kluczynski against.

Until further notice:

Mr. Schenck with Mr. Dies.

Mr. Dolliver with Mr. Gregory.

Mr. Dague with Mr. Kilday.

Mr. Bush with Mr. Lyle.

Mr. Shafer with Mr. Watts.

Mr. O'Hara of Minnesota with Mr. Walter.

Messrs. VELDE, FINO, BELCHER, PILLION, and MILLER of Nebraska changed their vote from "yea" to "nay."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the passage of the bill.

Mr. MILLS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 239, nays 158, not voting 34 as follows:

[Roll No. 120]

YEAS—239

Addonizio	Carrigg	Fulton
Albert	Case	Gamble
Allen, Calif.	Cederberg	Gathings
Allen, Ill.	Chenoweth	Gavin
Andersen, H. Carl	Chiperfield	George
Angell	Clevenger	Goodwin
Arends	Cole, Mo.	Graham
Auchincloss	Cole, N. Y.	Gubser
Ayres	Cooley	Hagen, Minn.
Baker	Coon	Hale
Bates	Cooper	Halleck
Beamer	Corbett	Harden
Becker	Cotton	Hardy
Belcher	Cretella	Harrison, Nebr.
Bender	Crosser	Harrison, Wyo.
Bennett, Mich.	Crumpacker	Hart
Bentley	Cunningham	Harvey
Berry	Curtis, Mass.	Hays, Ark.
Betts	Curtis, Mo.	Hays, Ohio
Blatnik	Curtis, Nebr.	Heselton
Boland	Davis, Tenn.	Hess
Bolling	Dawson, Ill.	Hiestand
Bolton, Oliver P.	Dawson, Utah	Hill
Bonin	Derounian	Hillelson
Bosch	Devereux	Hillings
Bow	D'Ewart	Hinshaw
Bowler	Dodd	Hoeven
Boykin	Dondero	Holmes
Bramblett	Donohue	Holt
Brown, Ga.	Dorn, N. Y.	Hope
Brown, Ohio	Durham	Horan
Brownson	Edmondson	Hosmer
Broyhill	Elliott	Howell
Budge	Ellsworth	Hruska
Busbey	Engle	Hunter
Byrnes, Wis.	Evins	Hyde
Camp	Fenton	Jackson
Campbell	Fernandez	Javits
Canfield	Ford	Jenkins
	Frazier	Jensen
	Frelinghuysen	Johnson

Jonas, Ill.	Oakman	Scrivner
Jonas, N. C.	O'Brien, Ill.	Scudder
Jones, Ala.	O'Brien, N. Y.	Seely-Brown
Judd	O'Hara, Ill.	Short
Karsten, Mo.	O'Neill	Sieminski
Kean	Osmers	Simpson, Pa.
Kearns	Ostertag	Small
Keating	Patterson	Smith, Miss.
Kersten, Wis.	Pelly	Stauffer
King, Calif.	Pfost	Stringfellow
King, Pa.	Philbin	Sullivan
Knox	Phillips	Taber
Lane	Poage	Talle
Latham	Polk	Thompson, Mich.
LeCompte	Price	Tollefson
Long	Priest	Trimble
Lovre	Prouty	Utt
Lucas	Rabaut	Van Pelt
McCarthy	Radwan	Van Zandt
McConnell	Ray	Vinson
McCormack	Rayburn	Vorys
McCulloch	Reams	Vursell
McDonough	Reece, Tenn.	Wainwright
Mack, Ill.	Reed, N. Y.	Wampler
Mack, Wash.	Rees, Kans.	Warburton
Magnuson	Rhodes, Ariz.	Weichel
Mahon	Richards	Westland
Mailliard	Riehlman	Wickersham
Marshall	Rivers	Widnall
Meader	Roberts	Wigglesworth
Merrill	Robsion, Ky.	Williams, N.Y.
Merrow	Rodino	Wilson, Calif.
Metcalf	Rogers, Colo.	Withrow
Miller, Kans.	Rogers, Fla.	Wolcott
Miller, Md.	Rogers, Mass.	Wolverton
Miller, N. Y.	Sadlak	Yates
Morano	St. George	Young
Mumma	Saylor	Younger
Neal	Scherer	
Nicholson	Scott	

NAYS—158

Abbitt	Forrester	Murray
Abernethy	Fountain	Nelson
Adair	Friedel	Norrell
Alexander	Garmatz	O'Brien, Mich.
Andresen, August H.	Gary	O'Konski
Andrews	Gentry	Passman
Ashmore	Granahan	Patman
Aspinall	Grant	Patten
Bailey	Green	Perkins
Barden	Gross	Pilcher
Barrett	Gwinn	Pillion
Battle	Hagen, Calif.	Poff
Bennett, Fla.	Haley	Preston
Bentsen	Hand	Rains
Bishop	Harris	Rhodes, Pa.
Boggs	Harrison, Va.	Riley
Bonner	Heller	Robeson, Va.
Bray	Herlong	Rogers, Tex.
Brooks, La.	Hoffman, Ill.	Rooney
Brooks, Tex.	Hoffman, Mich.	Roosevelt
Buchanan	Holifield	Secrest
Burdick	Holtzman	Selden
Burleson	Ikard	Sheehan
Byrd	Jarman	Shelley
Byrne, Pa.	Jones, Mo.	Sheppard
Cannon	Jones, N. C.	Shuford
Carlyle	Kee	Sikes
Celler	Kelley, Pa.	Simpson, Ill.
Chelf	Kelly, N. Y.	Smith, Kans.
Chudoff	Keogh	Smith, Va.
Church	Kirwan	Smith, Wis.
Clardy	Klein	Springer
Colmer	Krueger	Staggers
Condon	Laird	Steed
Coudert	Landrum	Sutton
Davis, Ga.	Lanham	Teague
Davis, Wis.	Lantaff	Thomas
Deane	Lesinski	Thompson, La.
Delaney	McGregor	Thompson, Tex.
Dempsey	McIntire	Thornberry
Dollinger	McMillan	Tuck
Donovan	Madden	Velde
Dorn, S.C.	Mason	Wharton
Dowdy	Matthews	Wheeler
Doyle	Miller, Calif.	Whitten
Eberharter	Miller, Nebr.	Wier
Fallon	Mills	Williams, Miss
Feighan	Mollohan	Willis
Fine	Morgan	Wilson, Ind.
Fino	Morrison	Wilson, Tex.
Fisher	Moss	Winstead
Forand	Moulder	Yorty
	Multer	Zablocki

NOT VOTING—34

Bolton, Frances P.	Dies	Hébert
Buckley	Dingell	James
Bush	Dolliver	Kearney
Carnahan	Fogarty	Kilburn
Chatham	Golden	Kilday
Dague	Gordon	Kluczynski
	Gregory	Lyle
McVey	Powell	Spence
Machrowicz	Reed, Ill.	Taylor
Martin, Iowa	Regan	Walter
Norblad	Schenck	Watts
O'Hara, Minn.	Shafer	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Norblad for, with Mr. Kearney against.

Mrs. Frances P. Bolton for, with Mr. Taylor against.

Mr. Martin of Iowa for, with Mr. Gordon against.

Mr. Kilburn for, with Mr. Buckley against.

Mr. Golden for, with Mr. Hébert against.

Mr. Kluczynski for, with Mr. Regan against.

Mr. Dingell for, with Mr. Machrowicz against.

Mr. Carnahan for, with Mr. Powell against.

Until further notice:

Mr. Bush with Mr. Dies.

Mr. Dague with Mr. Chatham.

Mr. Dolliver with Mr. Lyle.

Mr. James with Mr. Kilday.

Mr. McVey with Mr. Gregory.

Mr. O'Hara of Minnesota with Mr. Fogarty.

Mr. Shafer with Mr. Spence.

Mr. Schenck with Mr. Walter.

Mr. Reed of Illinois with Mr. Watts.

Mr. HOFFMAN of Michigan changed his vote from "yea" to "nay."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

HOUR OF MEETING TOMORROW

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet at 10 o'clock tomorrow.

PROGRAM FOR BALANCE OF TODAY

Mr. McCORMACK. Mr. Speaker, reserving the right to object, will the distinguished majority leader advise the House as to any program for this evening?

Mr. HALLECK. Yes; I will be glad to.

Mr. McCORMACK. And also, to the extent the gentleman can, for tomorrow.

Mr. HALLECK. I shall be glad to do so; it will save me a lot of work because so many Members have inquired of me individually and I try to tell them as best I can. I shall be glad to do so.

The conference report on the emergency immigration bill is ready and I understand is in agreement, and 2 or 3 minutes should dispose of it.

I think the same is true of the famine relief conference report and the farm credit conference report.

Then there is a conference report ready in charge of the gentleman from Kentucky [Mr. ROBSION] from the Committee on the Judiciary, which I understand can be dealt with very quickly.

Mr. McCORMACK. What is that, the National Safety Council?

Mr. HALLECK. Yes; that is what it is.

Those are the only four conference reports we expect to act on.

I have been importuned to take up a rule which deals with certain tax matters between Philadelphia and New Jersey where there has been quite a bit of

interest expressed and I shall hope that we can call that up.

Mr. McCORMACK. Tonight?

Mr. HALLECK. Yes, tonight.

PROGRAM FOR TOMORROW

Mr. HALLECK. As to tomorrow, I may make this further statement, and it will be announced officially later on by the chairman of the Ohio delegation.

We shall adjourn tonight out of respect to Senator TAFT.

We shall meet at 10 o'clock tomorrow, and I express the hope that all will be here because at that time Members will be given the opportunity to speak on the life, character, and public service of our late departed colleague in the other body.

Otherwise tomorrow: The supplemental appropriations conference report will be ready. I think, however, I should say to the Members that it is likely, there will be considerable controversy about that; I do not know how much. The additional Federal judges bill is in conference and I think that will be worked out and that conference report will be here. The conferees are to meet tomorrow on extension of the Reciprocal Trade Act and I am confident that will be worked out and will be back here for action.

The State-Justice appropriation bill is yet in the other body. We will work that out.

The gentleman from Nebraska [Mr. MILLER] has a conference report he wants to dispose of tomorrow that has to do with the Menominee Indians.

Whether or not there will be a rule on the Commission To Study Judicial and Congressional Salaries, I do not know, but if there is such a rule I would personally like to see that matter passed on.

You can see that we are rapidly disposing of the matters that are before us and that are of a character that we should act on before we adjourn. It is my hope that as we conclude tomorrow, matters that are necessary for us to act upon will have been sent to the other body and at that time after consultation with the Speaker and the minority leader I trust we can make some statement in light of what may transpire in the other body tomorrow as to what Members may expect with reference to adjournment or as to such arrangement as might make it possible for them to get home with their families if they want to leave.

Mr. HARRIS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Arkansas.

Mr. HARRIS. Is it contemplated that there might be further suspensions tomorrow?

Mr. HALLECK. Yes. The gentleman from Nebraska has a suspension on a measure that I think has been worked out pretty much in the form of a satisfactory agreement which we expect to call up.

Mr. McCORMACK. There is also one from the Committee on Merchant Marine and Fisheries?

Mr. HALLECK. Yes; the gentleman from Ohio [Mr. WEICHEL] has spoken to me about one. I thought at one time that it might be called up by unanimous consent, but apparently that is not possible as yet.

Mr. HARRIS. I understood also there was one from the Committee on Interstate and Foreign Commerce that was to be called up this afternoon.

Mr. HALLECK. The gentleman from Wisconsin [Mr. KERSTEN] has a resolution (H. Con. Res. 178) dealing with the people back of the Iron Curtain. I would anticipate that matters like that could come up by unanimous consent.

Mr. McCORMACK. I want the distinguished majority leader to understand that we appreciate you cannot cover them all. You have covered the salient ones.

Mr. HALLECK. I have tried to cover the important ones. I do not mean any exclusion because constantly Members are coming to me, as they are to the leaders on the other side, with measures important to them and in respect to which there is some urgency. We want to do what we can to dispose of them tomorrow.

What I principally wanted to say is this: As I view it now, I cannot see any reason why, if we work at the job tomorrow, we cannot, on this side at least, have concluded the work that it is necessary for us to do.

Mr. McCORMACK. I have been asked by one of my colleagues about the $200 million for Korea. I thought that was going to be put in some bill by the Senate.

Mr. HALLECK. That has been included in the supplemental appropriation bill. It is nothing more than a reappropriation of funds that were involved in the fighting of the war in Korea. With the fighting having terminated, about one-sixth of that money can be used for this purpose.

Mr. McCORMACK. That is to be taken up in the Senate and will come over here.

Mr. HALLECK. It will be here. The conferees on the supplemental appropriation bill are going back into conference at 8 o'clock this evening.

Mr. MILLER of Nebraska. I think we might expect a bill from Mr. WOLVERTON'S committee relative to hospitalization of narcotic addicts in the District of Columbia. It is noncontroversial, and I hope it can be brought up by unanimous consent.

Mr. HALLECK. I might say to the gentleman from Nebraska I have had enough controversy to do me all my life, and if we can have things run along smoothly without much difficulty, I will be the happiest man in the world.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from North Carolina.

Mr. COOLEY. I would like to make inquiry as to the Mexican labor bill which we have agreed on.

Mr. HALLECK. I heard something about that some days ago, but not lately.

Mr. HOPE. Mr. Speaker, if the gentleman will yield, the conferees on the Mexican labor bill have agreed, but the Senate must act first.

Mr. COOLEY. But it is contemplated that it will be disposed of tomorrow.

Mr. HOPE. Yes. We can call it up tomorrow.

Mr. McCORMACK. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. REED of New York. Mr. Speaker, I ask unanimous consent that all Members may have 3 legislative days in which to extend their remarks on H. R. 6672.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SPECIAL MIGRATION ACT OF 1953

Mr. GRAHAM submitted the following conference report and statement on the bill (H. R. 6481) to authorize the issuance of 217,000 special quota immigrant visas and for other purposes:

CONFERENCE REPORT (H. REPT. No. 1069)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 6481) to authorize the issuance of 217,000 special quota immigrant visas, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "That this Act may be cited as the 'Refugee Relief Act of 1953.'

"DEFINITIONS

"SEC. 2. (a) 'Refugee' means any person in a country or area which is neither Communist nor Communist-dominated, who because of persecution, fear of persecution, natural calamity or military operations is out of his usual place of abode and unable to return thereto, who has not been firmly resettled, and who is in urgent need of assistance for the essentials of life or for transportation.

"(b) 'Escapee' means any refugee who, because of persecution or fear of persecution on account of race, religion, or political opinion, fled from the Union of Soviet Socialist Republics or other Communist, Communist-dominated or Communist-occupied area of Europe including those parts of Germany under military occupation by the Union of Soviet Socialist Republics, and who cannot return thereto because of fear of persecution on account of race, religion or political opinion.

"(c) 'German expellee' means any refugee of German ethnic origin residing in the area of the German Federal Republic, western sector of Berlin, or in Austria who was born in and was forcibly removed from or forced to flee from Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Rumania, Union of Soviet Socialist Republics, Yugoslavia, or areas provisionally under the administration or control or domination of any such countries, except the Soviet zone of military occupation of Germany.

"(d) 'Administrator' means the administrator of the Bureau of Security and Consular Affairs established in the Department of State pursuant to subsection (b) of sec-

Resolved, That the Clerk communicate these resolutions to the Senate and transmit a copy thereof to the family of the deceased Senator.

Resolved, That a committee of 30 Members be appointed on the part of the House to join the committee appointed on the part of the Senate to attend the funeral.

The resolution was agreed to.

The SPEAKER. The Chair will announce the committee tomorrow.

The Clerk will report the remainder of the resolution.

The Clerk read as follows:

Resolved, That as a further mark of respect to the memory of the deceased, the House do now adjourn.

ADJOURNMENT

Thereupon (at 8 o'clock and 23 minutes p. m.) the House adjourned until tomorrow, August 1, 1953, at 10 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

888. A letter from the Executive Secretary, National Advisory Committee for Aeronautics, transmitting a report that during the 6-month period ending June 30, 1953, no contracts were negotiated by the National Advisory Committee for Aeronautics, pursuant to sections 2 (c) (11) and (16) of Public Law 413, 80th Congress; to the Committee on Armed Services.

889. A letter from the Attorney General, transmitting a report showing the special assistants employed during the period from January 1, 1953, to June 30, 1953, with compensation payable from the allotment contained in section 202, General Provisions, Department of Justice, pursuant to the Department of Justice Act for the fiscal year 1953; to the Committee on Government Operations.

890. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting copies of orders entered in the cases of certain aliens who have been found admissible into the United States, pursuant to section 212 (a) (28) (I) (ii) of the Immigration and Nationality Act; to the Committee on the Judiciary.

891. A letter from the Acting General Counsel, Office of the Secretary of Defense, transmitting a draft of legislation entitled "A bill to retrocede to the State of Ohio concurrent jurisdiction over certain highways within Wright-Patterson Air Force Base, Ohio"; to the Committee on Armed Services.

892. A letter from the Postmaster General, transmitting the cost ascertainment report for the fiscal year 1952; to the Committee on Post Office and Civil Service.

893. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a bill entitled "A bill to authorize and finance a program of public-works construction for the District of Columbia, and for other purposes"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. GRAHAM: Committee on the Judiciary. S. 2417. An act to provide for the creation of a Commission on Judicial and Congressional Salaries, and for other purposes; with amendment (Rept. No. 1057). Referred to the Committee of the Whole House on the State of the Union.

Mr. HOPE: Committee on Agriculture. H. R. 6665. A bill to amend certain provisions of the Agricultural Adjustment Act of 1938, as amended, relating to cotton marketing quotas; with amendment (Rept. No. 1058). Referred to the Committee of the Whole House on the State of the Union.

Mr. LECOMPTE: Committee on House Administration. Senate Concurrent Resolution 45. Concurrent resolution authorizing the holding of ceremonies in connection with the restoration and completion of the frieze in the United States Capitol; without amendment (Rept. No. 1059). Ordered to be printed.

Mr. LECOMPTE: Committee on House Administration. House Resolution 355. Resolution providing additional compensation for the Chaplain of the House of Representatives; without amendment (Rept. No. 1060). Ordered to be printed.

Mr. LECOMPTE: Committee on House Administration. House Resolution 356. Resolution providing for the expenses of conducting the investigation authorized by House Resolution 346; with amendment (Rept. No. 1061). Ordered to be printed.

Mr. ROBSION of Kentucky: Committee on the Judiciary. S. 677. An act to incorporate the National Conference on Citizenship, and for other purposes; without amendment (Rept. No. 1062). Referred to the House Calendar.

Mr. ALLEN of Illinois: Committee on Rules. House Resolution 375. Resolution providing for the consideration of H. R. 6672, a bill to increase the public debt limit; without amendment (Rept. No. 1063). Referred to the House Calendar.

Mr. REED of New York: Committee on Ways and Means. H. R. 6672. A bill to increase the public debt limit; without amendment (Rept. No. 1064). Referred to the Committee of the Whole House on the State of the Union.

Mr. GRAHAM: Committee of Conference. H. R. 6481. A bill to authorize the issuance of 240,000 special-quota immigrant visas, and for other purposes (Rept. No. 1069). Ordered to be printed.

Mr. HOPE: Committee of Conference. S. 2249. An act to authorize the Commodity Credit Corporation to make agricultural commodities owned by it available to the President for the purpose of enabling the President to assist in meeting famine or other urgent relief requirements in countries friendly to the United States; to the Committee on Agriculture and Forestry (Rept. No. 1070). Ordered to be printed.

Mr. HOPE: Committee of Conference. H. R. 3480. A bill to amend section 509 of title V of the Agricultural Act of 1949, to extend for 3 years the period during which agricultural workers may be made available for employment under such title (Rept. No. 1071). Ordered to be printed.

Mr. ROBSION of Kentucky: Committee of Conference. S. 1105. An act to incorporate the National Safety Council (Rept. No. 1072). Ordered to be printed.

Mr. ROBSION of Kentucky: Committee on the Judiciary. S. 41. An act to further amend the act of June 15, 1917, as amended; without amendment (Rept. No. 1073). Referred to the Committee of the Whole House on the State of the Union.

Mr. McCULLOCH: Committee on the Judiciary. House Joint Resolution 232. Joint resolution to establish the Jamestown-Williamsburg-Yorktown Celebration Commission, and for other purposes; with amendment (Rept. No. 1074). Referred to the Committee of the Whole House on the State of the Union.

Mr. TABER: Committee of Conference. H. R. 6200. A bill making supplemental appropriations for the fiscal year ending June 30, 1954, and for other purposes (Rept. No. 1075). Ordered to be printed.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JONAS of Illinois: Committee on the Judiciary. H. R. 4961. A bill for the relief of Mrs. James J. O'Rourke; without amendment (Rept. No. 1065). Referred to the Committee of the Whole House.

Mr. LANE: Committee on the Judiciary. H. R. 2163. A bill for the relief of Lillian Schlossberg; without amendment (Rept. No. 1066). Referred to the Committee of the White House.

Mr. LANE: Committee on the Judiciary. H. R. 2876. A bill for the relief of Leo F. Finder; with amendment (Rept. No. 1067). Referred to the Committee of the Whole House.

Mr. RODINO: Committee on the Judiciary. H. R. 3573. A bill for the relief of Edna V. R. Decker, Barbara P. R. Moore, W. S. Rosasco, Jr., and Gordon Wells, as administrator cum testamento annexo of the estate of Anna I. R. Wells, deceased; with amendment (Rept. No. 1068). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MILLER of Nebraska:

H. R. 6702. A bill to authorize the care and treatment at facilities of the Public Health Service of narcotic addicts committed by the United States District Court for the District of Columbia, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. AYRES:

H. R. 6703. A bill to extend the direct loan authority of the Administrator of Veterans' Affairs under title III of the Servicemen's Readjustment Act of 1944, as amended, to correspond to the expiration dates provided for guaranteed loans under such title, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BERRY:

H. R. 6704. A bill to permit the Secretary of the Interior to waive certain requirements of law with respect to joint liability under contracts entered into pursuant to the Federal reclamation laws; to the Committee on Interior and Insular Affairs.

By Mr. BYRNES of Wisconsin (by request):

H. R. 6705. A bill to modernize the statutes and regulations governing the operation of breweries and the method of collecting excise taxes on fermented malt beverages, and for other purposes; to the Committee on Ways and Means.

By Mr. BYRNES of Wisconsin:

H. R. 6706. A bill to provide that when a proposed dam across any navigable waters and the pool to be caused by the dam will be located entirely within one State, a license or permit must be granted by the State for the construction of the dam; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNES of Wisconsin (by request):

H. R. 6707. A bill to authorize supplemental payments to the sponsors of certain

projects under the Federal Airport Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. D'EWART (by request):

H. R. 6708. A bill to require the use of certain reporting procedures by certain Federal agencies which are concerned with water and power development projects; to the Committee on Public Works.

By Mr. FORD:

H. R. 6709. A bill to provide for Officer Training Corps, and for other purposes; to the Committee on Armed Services.

By Mr. GWINN:

H. R. 6710. A bill to extend the time for filing claims on behalf of certain claimants and for other purposes; to the Committee on the Judiciary.

By Mr. HOPE:

H. R. 6711. A bill to further amend section 13 of the Federal Farm Loan Act, as amended, to authorize the Federal land banks to make a bulk purchase of certain remaining assets of the Federal Farm Mortgage Corporation; to the Committee on Agriculture.

By Mr. LANE:

H. R. 6712. A bill to provide for the issuance of a special postage stamp in honor of Maurice J. Tobin for his services to the community, State, and Nation; to the Committee on Post Office and Civil Service.

By Mr. MORANO:

H. R. 6713. A bill making unlawful the requirements for the payment of a poll tax as a prerequisite to voting in a primary or other election for national officers; to the Committee on House Administration.

By Mr. WAINWRIGHT:

H. R. 6714. A bill to amend section 1 (18) of the Interstate Commerce Act to provide that the Interstate Commerce Commission shall not have jurisdiction to grant certificates of abandonment of any portions of the lines of certain railroads or to authorize the elimination of trains, stations, or station stops on such railroads; to the Committee on Interstate and Foreign Commerce.

By Mr. BATES:

H. R. 6715. A bill to amend paragraph 1004 (a) of the Tariff Act of 1930; to the Committee on Ways and Means.

By Mr. DONDERO:

H. R. 6716. A bill to amend the Tennessee Valley Authority Act of 1933, with respect to the terms and conditions to be contained in contracts for the sale of power; to the Committee on Public Works.

By Mr. EBERHARTER:

H. R. 6717. A bill to modernize the statutes and regulations governing the operation of breweries and the method of collecting excise taxes on fermented malt beverages, and for other purposes; to the Committee on Ways and Means.

By Mr. FARRINGTON:

H. R. 6718. A bill to define the term "United States" as used in certain acts relating to the conservation of water resources to include the several States and the Territory of Hawaii; to the Committee on Interior and Insular Affairs.

By Mr. HYDE:

H. R. 6719. A bill to incorporate the foundation of the Federal Bar Association; to the Committee on the District of Columbia.

By Mr. KERSTEN of Wisconsin:

H. R. 6720. A bill to encourage increased production by providing an accelerated amortization deduction for small business, and for other purposes; to the Committee on Ways and Means.

By Mr. KING of California:

H. R. 6721. A bill to extend to fishermen the same treatment accorded farmers in relation to estimated income tax; to the Committee on Ways and Means.

By Mr. METCALF:

H. R. 6722. A bill to provide for an investigation of the feasibility of developing the potentialities of Glacier View dam site, Montana; to the Committee on Interior and Insular Affairs.

By Mr. PRICE:

H. R. 6723. A bill to extend and improve the old-age and survivors insurance system, to provide permanent and total disability insurance and rehabilitation benefits, and for other purposes; to the Committee on Ways and Means.

By Mr. SHORT:

H. R. 6724. A bill to provide for the appointment of additional commissioned officers in the Regular Army, and for other purposes; to the Committee on Armed Services.

H. R. 6725. A bill to extend the authority for the appointment of certain officers in the Regular Navy and Marine Corps; to the Committee on Armed Services.

H. R. 6726. A bill to authorize the transfer to the Government of Japan of certain military equipment, and for other purposes; to the Committee on Armed Services.

By Mr. ENGLE:

H. R. 6727. A bill to provide Federal assistance for construction and reconstruction of a highway from the Nevada State line across the Sierra Nevada Mountains into the San Francisco Bay area; to the Committee on Public Works.

By Mr. FERNANDEZ:

H. R. 6728. A bill to authorize the disposal of public lands in the Fort Stanton Marine Hospital Reservation, N. Mex., and for other purposes; to the Committee on Interior and Insular Affairs.

H. R. 6729. A bill to authorize the disposal of public lands in the Fort Stanton Marine Hospital Reservation, N. Mex., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLIFIELD:

H. R. 6730. A bill to amend the Immigration and Nationality Act with respect to the admission of certain aliens born in Mexico; to the Committee on the Judiciary.

By Mr. MILLER of California:

H. R. 6731. A bill to provide for the construction of a military highway in the State of California crossing the Sierra Nevada Mountains; to the Committee on Public Works.

By Mr. MOSS:

H. R. 6732. A bill to provide Federal assistance for construction and reconstruction of a highway from the Nevada State line across the Sierra Nevada Mountains into the San Francisco Bay area; to the Committee on Public Works.

By Mr. PELLY (by request):

H. R. 6733. A bill to repeal section 1 (8) of the Interstate Commerce Act, commonly known as the commodities clause; to the Committee on Interstate and Foreign Commerce.

H. R. 6734. A bill to amend section 19a (b) of the Interstate Commerce Act with respect to the valuation of property of certain carriers; to the Committee on Interstate and Foreign Commerce.

H. R. 6735. A bill to amend section 20 (4) of the Interstate Commerce Act with respect to the rate or rates of depreciation to be allowed certain carriers for accounting purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6736. A bill to amend the Interstate Commerce Act, as amended, with respect to the abandonment of a line of railroad or portion thereof; to the Committee on Interstate and Foreign Commerce.

H. R. 6737. A bill to provide for control by the Interstate Commerce Commission of the reformation of parcel-post rates, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 6738. A bill to restore the authority of the Postmaster General to adjust postage rates for air parcel-post service, and for other purposes; to the Committee on Post Office and Civil Service.

H. R. 6739. A bill to amend the Interstate Commerce Act, as amended, as it relates to the authority of the Interstate Commerce Commission to suspend proposed rates and charges of carriers subject to said act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 6740. A bill to amend the Interstate Commerce Act, as amended, with respect to the power of the Interstate Commerce Commission to prescribe lawful intrastate rates, fares, and charges; to the Committee on Interstate and Foreign Commerce.

By Mr. PERKINS:

H. R. 6741. A bill to pay combat infantrymen of World War II amounts equivalent to the combat pay paid under the Combat Duty Pay Act of 1952 to men fighting in Korea; to the Committee on Armed Services.

By Mr. RIEHLMAN:

H. R. 6742. A bill to amend the Federal Property and Administrative Services Act of 1949, as amended, and for other purposes; to the Committee on Government Operations.

By Mr. WOLCOTT:

H. R. 6743. A bill to authorize national banks and State banks, members of the Federal Reserve System, to acquire and hold stock in, or make loans to, private corporations formed solely for the purpose of acquiring loans or securities from the Reconstruction Finance Corporation, and for other purposes; to the Committee on Banking and Currency.

By Mr. HOPE:

H. J. Res. 321. Joint resolution amending the Agricultural Adjustment Act of 1938, as amended, with respect to the date of the proclamation of corn marketing quotas; to the Committee on Agriculture.

By Mr. TOLLEFSON:

H. J. Res. 322. Joint resolution authorizing the Secretary of Commerce to make immediate provision for certain urgently required ocean transportation service to and from Alaska; to provide for a joint study by the Secretary of Commerce and the Secretary of the Interior as to the best means of permanently rehabilitating and stabilizing ocean transportation service to and from Alaska, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. WICKERSHAM:

H. J. Res. 323. Joint resolution granting the State of Oklahoma consent to sue the United States in the Supreme Court; to the Committee on the Judiciary.

By Mr. MACK of Illinois:

H. Con. Res. 182. Concurrent resolution relating to the transfer of members of the Armed Forces from one military department to another; to the Committee on Armed Services.

By Mr. MATTHEWS:

H. Res. 376. Resolution requesting the Secretary of Health, Education, and Welfare to investigate the feasibility of distributing surplus agricultural commodities to needy individuals; to the Committee on Agriculture.

By Mr. O'HARA of Illinois:

H. Res. 377. Resolution creating a select committee to conduct an investigation and study of assistance to the Republic of the Philippines; to the Committee on Rules.

H. Res. 378. Resolution providing funds for the expenses of the investigation and study authorized by House Resolution 377; to the Committee on House Administration.

By Mr. BATES:

H. Res. 380. Resolution requesting the Secretary of the Treasury to investigate fish importations under Anti-Dumping Act of May 27, 1921; to the Committee on Ways and Means.

By Mr. MEADER:

H. Res. 381. Resolution amending clause 25 (a) of rule XI of the Rules of the House

14. SUPPLEMENTAL APPROPRIATION BILL, 1954. Received the conference report on this bill, H. R. 6200 (pp. 11005-7). The conferees fixed the corn acreage allotment item at $5,000,000 and reported in disagreement the provision continuing drought-relief funds of Public Law 371, 82nd Cong.

15. WEATHER CONTROL. Passed as reported S. 285, to establish an Advisory Committee on Weather Control to study and evaluate public and private experiments in weather control for the purpose of determining the extent to which the U. S. should experiment with, engage in, or regulate weather control (pp. 10930-2).

16. RECLAMATION. Passed with amendments H. R. 5731, to authorize the Santa Margarita River project, Calif. (pp. 10940-1).

17. GRAZING LANDS. Rep. D'Ewart spoke in support of the stockmen's grazing bill and said Rep. Hope was introducing a modified bill on this subject which has the support of various interested parties (p. 10930).

17. RECLAMATION. Rep. D'Ewart recommended the establishment of various additional reclamation projects (p. 10930).

SENATE - July 31

18. FOREIGN AID; REORGANIZATION. Sen. Mansfield criticized the President's reorganization plan establishing a Foreign Operations Administration (pp. 10899-901).

19. DEBT LIMIT. Discussed the President's request for an increase in the debt limit (pp. 10903-8).

SENATE - August 1

20. FCA REORGANIZATION. Agreed to the conference report on H. R. 4353, to reorganiz the Farm Credit Administration, etc. (p. 11040). This bill will now be sent tc the President.

21. FAMINE RELIEF. Agreed to the conference report on S. 2249, the famine-relief bill (p.11044). This bill will now be sent to the President.

22. SAFETY. Agreed to the conference report on S. 1105, to incorporate the National Safety Council (p. 11049). This bill will now be sent to the President.

23. IMMIGRATION. Agreed to the conference report on H. R. 6481, to authorize immigration of 214,000 refugees, etc. (pp. 11073-7). This bill will now be sent to the President.

24. CROP INSURANCE. Concurred in the House amendments to S. 1367, to continue the authority for expansion of the crop insurance program to additional counties (p. 11044). This bill will now be sent to the President.

25. RECLAMATION. Concurred in the House amendments to S. 2097, to increase the amount authorized for the Eklutna, Alaska, project (pp. 11048-9). This bill will now be sent to the President.

26. WEATHER CONTROL. Concurred in the House amendments to S. 285, to authorize a study of weather-control activities, etc. (p. 11048). This bill will now be sent to the President.

27. RECLAMATION. Concurred in the House amendments to S. 887, to permit the exchange and amendment of farm units on Federal irrigation projects (pp. 11049, 11083-4). This bill will now be sent to the President.

8/1/53

28. FARM LABOR. Agreed to the conference report on H. R. 3480, to continue the Mexican farm-labor program for two years (p. 11090).

29. FARM LOANS. Passed as reported S. 1276, to increase the interest rate on farm-tenant loans (pp. 11097, 11104-5).

30. NOMINATION OF Harold E. Stassen, to be Director of Foreign Operations Administration, was confirmed (p. 11136).

31. DEBT LIMIT. The Finance Committee voted to defer further action until the next session of Congress on H. R. 6672, to increase the statutory debt limit (p.D830).

32. SURPLUS PROPERTY. Passed without amendment H. R. 6382, to extend until June 30, 1954, the period during which GSA may conduct negotiated sales of surplus property (p. 11054). This bill will now be sent to the President.

33. PENALTY MAIL. Passed without amendment H. R. 6281, to require executive departments, etc., to reimburse the Post Office Department for penalty mail (pp. 11078-9). This bill will now be sent to the President.

34. FOREST LOANS. Passed without amendment H. R. 5603, to authorize national banking associations to make loans on forest tracts (pp. 11070-2). This bill will now be sent to the President.

35. EDUCATION. Passed with amendments H. R. 6078 and 6079, to assist school districts in federally affected areas, and Senate conferees were appointed (pp. 11054-66).

36. SOCIAL SECURITY. Both Houses received the President's message recommending inclusion of additional groups, including farmers, in the Social Security Act (H. Doc. 225); to Senate Finance Committee and House Ways and Means Committee (pp. 11213, 11134).

37. STATE, JUSTICE, COMMERCE APPROPRIATION BILL, 1954. Sen. McCarthy was appointed as an additional conferee on this bill, H. R. 4974 (p. 11035).

38. SUPPLEMENTAL APPROPRIATION BILL, 1954. Rejected the conference report on this bill, H. R. 6200. Senate conferees were appointed for a further conference. (pp. 11097-104)

39. FARM PROGRAM. Sen. Aiken inserted a letter from Secretary Benson reviewing the studies now under way and stating, "The objective of our study is to have ready for Congress, when it reconvenes, judgments and recommendations that will be helpful in improving farm legislation." (pp. 11036-7.)

40. STORAGE FACILITIES. Sen. Murray asked additional USDA action to make available more wheat-storage facilities (pp. 11037-40).

41. TRANSPORTATION. Sen. Griswold inserted a Farm Bureau letter favoring H. R. 3203, the trip-leasing bill (pp. 11049-50).

42. FORESTRY. Passed without amendment H. R. 3956, to provide for conveyance of a tract in the Santa Fe National Forest, N. Mex. (p. 11052). This bill will now be sent to the President.

43. TREATY POWERS. Sen. Bricker spoke in support of his resolution to limit treaty powers and criticized the Knowland substitute (pp. 11090-7).

83D CONGRESS
1ST SESSION

H. R. 6672

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 1953

Read twice and referred to the Committee on Finance

AN ACT

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 21 of the Second Liberty Bond Act, as amended, is amended by striking out "$275,000,000,000" and inserting in lieu thereof "$290,000,000,000".

Passed the House of Representatives July 31, 1953.

Attest: LYLE O. SNADER,

Clerk.

83D CONGRESS
1ST SESSION

H. R. 6672

AN ACT

To increase the public debt limit.

AUGUST 1, 1953

Read twice and referred to the Committee on Finance

Quota immigrant visas: H. R. 6481, to authorize the issuance of 214,000 special-quota immigrant visas.

Through the action of Senate concurrence in House amendments thereto, the following bills were cleared for the President's signature:

Crop insurance: S. 1367, to extend the authority of Federal Crop Insurance Corporation to expand the crop-insurance program into additional counties;

Pacific Trust Territory: S. J. Res. 6, providing for continuance of civil government for the Trust Territory of the Pacific Islands;

Eklutna project: S. 2097, to increase the amount authorized to be appropriated for the construction of the Eklutna project, Alaska;

Air commerce: S. 1402, to amend the Air Commerce Act of 1926 to authorize navigation of foreign, nontransport, civil aircraft in the U. S. through reciprocity and under regulations of the CAB;

Weather study: S. 285, to create a committee to study and evaluate public and private experiments in weather modification;

Irrigation projects: S. 887, to permit the exchange and amendment of farm units on Federal irrigation projects.

Private bill: S. 1039.

The following bills were cleared for President's signature when they were taken from the table and passed without amendment:

Yugoslav claims: H. R. 5742, to amend the International Claims Settlement Act of 1949 with respect to settlement of Yugoslav claims;

Rio Grande bridge: H. R. 1219, to authorize the Hidalgo Bridge Co. to construct, maintain, and operate a railroad toll bridge across the Rio Grande, at or near Hidalgo, Tex.;

St. Lawrence bridge: H. R. 307, to reenact the act granting authority to construct a bridge across the St. Lawrence River at or near Ogdensburg, N. Y.;

Private bills: H. R. 3035, H. R. 1753.

The following bill was cleared for President's signature by passage without amendment:

San Joaquin River: H. R. 4305, to authorize an additional appropriation of $2,500,000 for the improvement of the lower San Joaquin River and its tributaries.

Pages 11040, 11044, 11046, 11048–11049, 11073–11077, 11083, 11089, 11105–11107

Judges' Traveling Allowances: Senate concurred in House amendments to the following bill, but later, by unanimous consent, agreed to reconsider this action: S. 32, to increase limit of subsistence expenses allowed Federal judges while traveling, and to authorize reimbursement for such travel by privately owned automobiles. Pages 11046–11048

Bills Sent to Conference: Senate requested conferences with the House on the following bills, and appointed conferees as indicated:

S. 15, to provide for the appointment of additional circuit and district judges—Senators Watkins, Welker, and McCarran;

S. 2315, to authorize payment of certain war claims—Senators Dirksen, Langer, and Kefauver.

Pages 11044–11046, 11067

State, Justice, Commerce Appropriations: Senator McCarthy was appointed as an additional conferee on H. R. 4974, State, Justice, Commerce appropriations for 1954. Page 11035

Taft Memorial Services: S. Res. 158, providing for memorial services for the late Senator Taft in the Capitol rotunda at noon Monday, August 3, was adopted.

Page 11035

Mexican Farm Labor: Senate adopted conference report on H. R. 3480, to extend until December 31, 1954, provisions of act facilitating the use of Mexican labor for agricultural work in this country. Page 11090

Farm Loans: Senate passed, with committee amendments, S. 1276, to amend the Bankhead-Jones Farm Tenant Act in order to increase the interest rate on loans made under title I of such act. Pages 11097, 11104–11105

Supplemental Appropriations: Senate rejected conference report on H. R. 6200, supplemental appropriations for fiscal year 1954, sending the bill back for further conference on all amendments in disagreement and reappointing the original conferees. Pages 11097–11104

Funeral Expenses: S. Res. 159, authorizing payment of expenses for funeral of the late Senator Taft, was adopted. Page 11035

Printing Resolution: S. Res. 157, authorizing printing of additional copies of study entitled "Physical and Economic Foundation of Natural Resources" was adopted. Pages 11034–11035

Committee Reports: All committees were authorized to file reports following recess of Senate today.

Page 11106

Factory Inspection of Drugs: H. R. 5740, to amend the Federal Food, Drug, and Cosmetic Act so as to protect the public health and welfare by providing certain authority for factory inspection, was made Senate's unfinished business. Page 11106

Confirmations: 12 civilian nominations were confirmed, including that of Harold E. Stassen, of Pennsylvania, to be Director of Foreign Operations Administration. Page 11136

Nominations: Five civilian nominations, including that of Harold E. Stassen, of Pennsylvania, to be Director of Foreign Operations Administration, were received, along with 69 postmasters and 90 Navy nominations.

Following adjournment of Senate yesterday, July 31, Senate received 4 civilian and 25 postmaster nominations.

Pages 11134–11136

Program for Monday: Senate recessed at 6:48 p. m. until 10 a. m. Monday, August 3, when the executive

calendar will be called and conference reports considered, following which, at noon, Senate will attend memorial services in Capitol rotunda for the late Senator Taft. Senate will then return to its chamber for call of calendar and consideration of H. R. 5740, factory inspection of drugs, S. Res. 137, increasing limit of expenditures for Committee on Rules and Administration, and S. 1706, taxation of property in Grand Teton National Park.

Committee Meetings

(*Committees not listed did not meet*)

DEBT LIMITATION, NOMINATIONS, AND WHISKY BONDING

Committee on Finance: Committee, in a late executive session, voted to defer further action until the next session of Congress on H. R. 6672, increasing the statutory debt limit of the U. S. from $275 billion to $290 billion. Prior to this vote, the committee disapproved several proposed amendments to the bill to increase the debt limit by various amounts.

In a morning session, also executive, committee ordered favorably reported the nominations of Gustov F. Doscher, Jr., to be collector of customs for customs collection district 16, with headquarters at Charleston, S. C., and W. Rae Dempsey, Jr., to be collector of customs for customs collection district 13, with headquarters at Baltimore, Md.

Also, the committee reconsidered a previous vote (taken on July 15) to postpone indefinitely further consideration on H. R. 5407, to extend the bonding period on whisky from 8 to 12 years, but after reconsideration thereof did not change its previous vote.

BRIDGES AND NOMINATION

Committee on Foreign Relations: Committee, in executive session, ordered favorably reported without amendment H. R. 307, to reenact the act granting authority to construct a bridge across the St. Lawrence River at or near Ogdensburg, N. Y., and H. R. 1219, to authorize the Hidalgo Bridge Co. to construct, maintain, and operate a railroad toll bridge across the Rio Grande, at or near Hidalgo, Tex.

Committee also approved the nomination of Theodore C. Streibert, of New York, to be Director of the U. S. Information Agency.

NOMINATION—FTC

Committee on Interstate and Foreign Commerce: Committee ordered favorably reported the nomination of John Williams Gwynne, of Iowa, to be a member of the Federal Trade Commission. Prior to approval of this nomination testimony in behalf thereof was received from Senators Hickenlooper and Kefauver, Robert E. Freer, former Chairman of the FTC, and the nominee.

CONSTITUTIONAL AMENDMENT—PRESIDENT AND VICE PRESIDENT

Committee on the Judiciary: Subcommittee on Constitutional Amendments resumed its hearings on various joint resolutions proposing constitutional amendments relating to the nomination and election of candidates for President and Vice President, with testimony from the following witnesses: Andrae Nordskog and former Representative Clarence Lea, both of whom favored enactment of S. J. Res. 84; Lucius Wilmerding, who favored S. J. Res. 100; and J. Harvie Williams, who favored S. J. Res. 95 and S. J. Res. 100.

Subcommittee recessed subject to call of the Chair.

House of Representatives

Chamber Action

Bills Introduced: 11 public bills, H. R. 6786–6796; 15 private bills, H. R. 6797–6811; and 9 resolutions, H. J. Res. 324, H. Con. Res. 183, and H. Res. 382–388, were introduced. Pages 11181, 11222

Bills Reported: Reports were filed as follows:

Disposal of executive papers (H. Repts. 1076–1078);

Report of Committee on the Judiciary entitled "Investigation of the Department of Justice" (H. Rept. 1079);

H. R. 3895, to extend to potato producers the Government services now available to producers of other vegetables and fruits (H. Rept. 1080);

H. R. 6702, to authorize the care and treatment at facilities of the Public Health Service of narcotic addicts committed by the U. S. District Court for the District of Columbia, amended (H. Rept. 1081);

H. R. 6435, to add "onions" to the definition of the word "commodity" for the purposes of the Commodity Exchange Act (H. Rept. 1082);

Interim report of the Committee on the Judiciary entitled "Suit Against Members of the Committee on Un-American Activities" (H. Rept. 1083);

H. Res. 343, providing for the payment of 6 months' salary and funeral expenses to the beneficiary of a recently deceased employee of the House of Representatives (H. Rept. 1084);

S. Con. Res. 47, authorizing printing of 25,000 copies of parts 1–13 of hearings and interim report by Internal Security Subcommittee (H. Rept. 1085);

S. Con. Res. 48, printing of 25,000 copies of parts 1–14 of hearings and interim report by Internal Security Subcommittee on Interlocking Subversion in Government Departments (H. Rept. 1086);

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

Issued August 6, 1954
For actions of August 5, 1954
83rd-2nd, No. 150

CONTENTS

HIGHLIGHTS: Senate debated farm program bill. Senate agreed to correction of tax revision bill. Senate committees reported bills to authorize Mexican fence, extend watershed law to territories, and increase debt limit. House received conference report on mutual security authorization bill. Joint Committee on Economic Report submitted its report. House sent supplemental appropriation bill to conference and authorized filing of report during recess. Rep. Hill outlined SBA's help in providing grain storage. Rep. Johnson, Wis., urged action on resolution for FTC investigation of milk marketing. Reps. Hope and McCormack discussed emergency farm loans bill.

SENATE

1. FARM PROGRAM. Continued debate on S. 3052, the farm program bill (pp. 12728-41, 12744-62, 12765-805). Sen. Knowland expressed a hope that a vote will be taken today on the Aiken amendment to provide for flexible supports, at 80% to 90% of parity, for 1955. Sens. McCarthy, Schoeppel, and Lehman submitted amendments which they intend to propose to the bill (p. 12721).

The amendments mentioned in Digest 148 would provide as follows: The Williams amendment would require a contribution of 25% to 50% by States to the cost of feed or seed furnished for drought relief. The Smith-Payne amendment would permit the Secretary to designate a State as outside the commercial wheat area if its allotment is 2,500 acres or less, provide that wheat quotas not apply in such cases, and fix price support for wheat to cooperators in such areas at 75% of the support to cooperators in commercial area. The Anderson amendment is identical to S. 3339, to authorize FCA to make Land Bank Commissioner-type loans, as passed by the Senate (see Digest 134).

2. TAXATION. Both Houses agreed to corrections in H. R. 8300, the tax revision bill (pp. 12834, 12777). This bill will now be sent to the President.

3. SOIL CONSERVATION. The Agriculture and Forestry Committee reported with amend-

ments S. 3774, to extend the benefits of the Watershed Protection and Flood Prevention Act to Alaska, Hawaii, and Puerto Rico (S. Rept. 2218)(p. 12721).

4. MEXICAN FENCE. The Interior and Insular Affairs Committee reported without amendment S. 114, authorizing appropriations for construction, operation, and maintenance of the western land boundary fence project (S. Rept. 2227)(p. 12809).

5. DEBT LIMIT. The Finance Committee reported with amendments H. R. 6672, to increase the Government debt limit (S. Rept. 2225)(p. 12809). The "Daily Digest" states that the committee "agreed to temporary increase of $6 billion (from $275 billion to $281 billion) to be terminated June 30, 1955" (p. D948). As passed by the House during the last session, the bill would increase the limit by $15 billion without the provision regarding its temporary nature.

6. PERSONNEL; RETIREMENT. The Post Office and Civil Service Committee reported without amendment S. 3627, to amend the Civil Service Retirement Act so as to tighten up several "loopholes" (S. Rept. 2230)(p. 12809).

The Committee reported with amendments S. 2631, to prohibit the payment of Government retirement benefits to persons convicted of certain offenses (S. Rept. 2231)(p. 12809).

7. FOREIGN AID. Sen. Wiley urged restoration of the provision for U. N. technical assistance (pp. 12727-8).

HOUSE

8. SUPPLEMENTAL APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 9936 (p. 12819). Senate conferees have been appointed. The House conferees were authorized to file a report during the House recess at any time through Sat. (p. 12834).

9. ECONOMIC REPORT. The Joint Committee on the Economic Report submitted a report (H. Rept. 2628)(p. 12855).

10. TRANSPORTATION. The Interstate and Foreign Commerce Committee reported without amendment S. 906, to establish the finality of contracts between the Government and common carriers of passengers and freight subject to the Interstate Commerce Act (S. Rept. 2629)(p. 12855).

11. FLAMMABLE FABRICS. The Interstate and Foreign Commerce Committee reported with amendment S. 3379, to amend the Flammable Fabrics Act so as to exempt from its application fabrics and wearing apparel which are not highly flammable (S. Rept. 2630)(p. 12855).

12. FARM LOANS. House conferees were appointed on H. R. 8152, to extend to June 30, 1955, the direct home and farm-house loan authority of VA and to make additional funds available therefor (p. 12827). Senate conferees have been appointed.

13. GRAIN STORAGE. Rep. Hill outlined the contribution of loans by the Small Business Administration in providing grain-storage facilities (p. 12812).

14. MILK MARKETING. Rep. Johnson, Wis., urged action on H. J. Res. 554, his proposal for a study and investigation of the milk-marketing system by the Federal Trade Commission (p. 12813).

Calendar No. 2254

83D CONGRESS, 2d Session — SENATE — REPORT No. 2225

DEBT LIMIT INCREASE

AUGUST 5, 1954.—Ordered to be printed

Mr. MILLIKIN, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 6672]

The Committee on Finance, to whom was referred the bill (H. R. 6672) to increase the public debt limit, having considered the same, report thereon with amendments and recommend that the bill as amended do pass.

COMMITTEE AMENDMENTS

Strike everything after enacting clause and insert the following wording:

That during the period beginning on the date of enactment of this Act and ending on June 30, 1955, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by $6,000,000,000.

Amend the title to read:

An Act to provide for a temporary increase in the public debt limit.

GENERAL STATEMENT

Present law in section 21 of the Second Liberty Bond Act, as amended (31 U. S. C. 757b), provides for a limit of $275 billion on the amount of the public debt securities which may be outstanding at any one time. H. R. 6672, as amended by the Committee on Finance, provides that during the period beginning on the date of enactment of this act and ending on June 30, 1955, the public debt limit shall be temporarily increased by $6 billion.

As reported, the bill takes cognizance of a maladjustment in revenue collections, which causes dips in income and temporary shortages of funds during certain periods of the year.

In time this situation will be largely corrected under provisions in the new tax code enacted by this Congress which, beginning in September 1955, will spread collections of corporation income taxes

more evenly over the full 12 months of each fiscal year. Previously, more and more of this corporate tax revenue has been collected in the latter months of the fiscal year.

In anticipation of a more even distribution of revenue collections and reduction of expenditures in future years, the Finance Committee recommends that the Secretary of the Treasury be authorized to borrow up to $6 billion in excess of the statutory limit for the temporary period ending June 30, 1955.

The bill as passed by the House of Representatives would be amended to this effect under recommendations by the Committee on Finance.

O

Calendar No. 2254

83D CONGRESS
2D SESSION

H. R. 6672

[Report No. 2225]

IN THE SENATE OF THE UNITED STATES

AUGUST 1, 1953

Read twice and referred to the Committee on Finance

AUGUST 5, 1954

Reported by Mr. MILLIKIN, with amendments

[Strike out all after the enacting clause and insert the part printed in italic]

AN ACT

To increase the public debt limit.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, ~~That section 21 of the Second Liberty Bond Act, as amended, is amended by striking out "$275,000,000,000" and inserting in lieu thereof "$290,000,000,000".~~ *That during the period beginning on the date of enactment of this Act and ending on June 30, 1955, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by $6,000,000,000.*

I

Amend the title so as to read: "An Act to provide for a temporary increase in the public debt limit."

Passed the House of Representatives July 31, 1953.

Attest: LYLE O. SNADER,

Clerk.

Calendar No. 2254

83d CONGRESS
2d Session

H. R. 6672

[Report No. 2225]

AN ACT

To increase the public debt limit.

August 1, 1953

Read twice and referred to the Committee on Finance

August 5, 1954

Reported with amendments

Aug. 11, 1954
SENATE

5. NOMINATION. Confirmed the nomination of Herbert Davis Vogel to be a member of the Board of Directors of TVA (p. 13300). Sen. Morse spoke in opposition to this nomination (pp. 13412-3).

6. MEXICAN FENCE. Discussed, and placed at foot of the calendar, S. 114, authorizing appropriations for construction, operation, and maintenance of the Mexican western land boundary fence project (p. 13376).

7. FORESTRY. Discussed and passed over S. 620 and H. R. 1254, which authorize the issuance by Federal agencies of permits, leases, or easements to States or local governments for periods not to exceed 30 years, on lands within their respective jurisdictions (pp. 13403-4).

8. AGRICULTURAL INVESTIGATIONS. Agreed to S. Res. 304, to provide $12,000 additional for the Agriculture and Forestry Committee for an investigation of various matters related to agricultural programs (S. Rept. 2450) (p. 13301).

9. EDUCATION. Passed without amendment H. R. 9888, to extend the period during which the education and training benefits of the Korean-conflict GI bill of rights may be available (p. 13356). This bill will now be sent to the President.

10. FORESTRY. Passed without amendment H. R. 6393, consenting to an interstate forest-fire protection compact among south central States (p. 13357). This bill will now be sent to the President.

11. RECLAMATION. Passed without amendment H. R. 8520, to include the Ainsworth, Lavaca Flats, Mirage Flats Extension, and O'Neill irrigation developments in the Missouri Basin project, and H. R. 8384, to authorize the Talent division of the Rogue River Basin project, Oreg. (pp. 13373, 13394, 13402). These bills will now be sent to the President.

12. WATER RESOURCES. Passed without amendment H. R. 2843, authorizing the Interior Department to investigate and report to Congress on the water resources of Hawaii (p. 13396). This bill will now be sent to the President.

13. FORESTRY. Passed as reported S. 3773, to authorize reciprocal fire-protection agreements between Government departments and agencies and public or private organizations engaged in fire-fighting activities (p. 13373).

14. PERSONNEL. Passed with amendments H. R. 7774, to increase the pay of classified, postal, and other Federal employees; and then agreed to a request by Sen. Knowland that the vote be reconsidered (pp. 13334-7).

15. MEXICAN FARM LABOR. The Judiciary Committee reported with amendments S. 3660, to make the employment, and related practices, of any alien known by an employer to have entered the U. S. illegally within 3 years thereof unlawful (S. Rept. 2451), and S. 3661, to provide for the seizure and forfeiture of any vessel or vehicle used in the transportation of any alien known by the owner thereof to have entered the U. S. illegally within 3 years (S. Rept. 2452) (p. 13300).

16. COMMODITY CREDIT CORPORATION. The Agriculture and Forestry Committee reported without amendment H. R. 9756, to increase the borrowing power of CCC. from $8.5 billion to $10 billion (S. Rept. 2470) (p. 13301).

17. EDUCATION. Passed with amendment H. R. 1797, to provide for conveyance by the Interior Department of a tract of land to the Okla. A&M College (p. 13374).

18. PERSONNEL; RETIREMENT. Passed without amendment S. 3627, to amend the Civil Service Retirement Act so as to tighten up several "loopholes" (p. 13377).

19. TRAVEL. Passed with amendment S. 3200, to amend section 3 of the Travel Expense Act of 1949, as amended, so as to increase the maximum per diem allowance for subsistence and travel by Federal employees from $9 to $12 (p. 13401).

20. SOIL CONSERVATION. Passed as reported S. 3774, to extend the benefits of the Watershed Protection and Flood Prevention Act to Alaska, Hawaii, Puerto Rico, and the Virgin Islands (p. 13374).

21. VIRGIN ISLANDS. Passed as reported S. 3800, to restore the USDA animal-poultry inspection authority, regarding imports into the Virgin Islands, on a modified basis (p. 13357).

22. PERSONNEL. Passed as reported S. 19, to suspend the running of the statute of limitations applicable to offenses involving performance of official duties by Government officers and employees during periods of Government service (p. 13371).

23. EDUCATION. Passed as reported S. 3629 to amend Public Law 874, 81st Cong., so as to postpone the effective date of the 3 percent "absorption" requirement of school districts in areas affected by Federal activities for 1 additional year (through June 30, 1955) (pp. 13371-2).

Passed as reported S. 3628, to amend Public Law 815, 81st Cong., so as to extend for 3 additional years the program of Federal assistance for school construction under title III thereof (p. 13371).

24. FLAMMABLE FABRICS. Concurred in the House amendments to S. 3379, to exempt from the Flammable Fabrics Act certain fabrics which are not highly flammable (p. 13472). This bill will now be sent to the President.

25. STOCKPILING. Passed as reported S. 3585, to amend the Strategic and Critical Materials Stockpiling Act so as to provide "that any gem diamonds constituting a part of the stockpile may be exchanged for industrial diamonds of a like value" (pp. 13370-1). The committee report explains that a firm has offered to make such an exchange and has agreed to purchase wheat of the same value from the proceeds of its sale of the gem stones acquired by the exchange.

26. DEBT LIMIT. Discussed and passed over H. R. 6672, to increase the public debt limit (p. 13376).

27. PATENTS. Discussed and passed over, upon the objection of Sen. Hendrickson, H. R. 3534, to authorize the extension of patents covering inventions whose practice was prevented or curtailed during service by the patent owner in the Armed Services or by production controls (pp. 13379-80).

Senate bill 2869, combining the two previous bills and making certain additions. Senate bill 2869 is the Senate version of House bill 4118.

In a letter to the committee, I stated I had no objection to handling the matter by way of a combined bill. However, I objected to the following provision of section 4 of this bill, as follows:

> All costs incurred by the Secretary in the preparation of such rolls and the payment of such per capita shares shall be paid by appropriate withdrawals out of the fund or funds on deposit in the Treasury of the United States arising out of such judgments.

The effect of such a provision is to reduce the amount of the award made to the Indian people by the Court of Claims. Of course, the decision went against the Federal Government. So under section 4, to which I have referred, the situation would be very much like that when one has a lawsuit against the Government and wins a judgment against the Government, but then the costs are levied against him, although he was found to be in the right. I believe that as the bill is presently worded we are, in effect, taking advantage of the Indians. I think the Federal Government ought to pay the cost, and not the Indians, because the Court of Claims found they were in the right. Funds were appropriated for payment of judgments by Public Law 253, of the 82d Congress, November 1, 1951. The Indians have therefore been waiting for years for the per capita distribution to which they are entitled.

I wish to be perfectly fair. There are no communications from the Indians protesting section 4 of the bill. We are dealing with a situation in which they feel that there is nothing they can do, and that they will have to pay the costs, even though the decision went against the Government.

I am in this situation: To object to the bill would mean that my Indians would not get anything. However, I do think that the equities are all in their favor. I shall therefore offer an amendment which, in effect, would assess the cost where it really belongs, that is, against the Government.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Interior and Insular Affairs, with amendments, on page 1, line 5, after the words "of the", where they occur the third time, to strike out "Confederated Bands of Umpqua and Calapooins of the Umpqua Valley, and of the Tillamook, Coquille, Tootootoney, Chetco, and Mollallas or Molel Tribes of Oregon" and insert "Molel or Molallalas Tribe of Oregon and of the Confederated Bands of the Umpqua Tribe of Indians and the Calappoias residing the Umpqua Valley, and of the Tillamook, Coquille, Tootootoney and Chetco Tribes of Oregon"; and on page 2, line 16, after the word "States" to strike out "115, Ct. Cl. 463" and insert "119, C. Cls. 835."

The amendments were agreed to.

Mr. MORSE. I now offer my amendment.

The PRESIDING OFFICER. The amendment offered by the Senator from Oregon will be stated.

The LEGISLATIVE CLERK. On page 4, beginning in line 1, it is proposed to strike out all to the colon in line 5 and insert in lieu thereof the following:

> SEC. 2. The conveyance authorized by this act shall be conditional upon the State of Oklahoma agreeing to pay to the Secretary of the Interior, in return for the lands conveyed, an amount equal to the appraised fair market value of such lands.

The amendment was agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. MORSE subsequently said. Mr. President, earlier today we passed Calendar Order No. 2248, H. R. 4118, to which I offered an amendment, and the amendment was adopted. The amendment in effect would require the Federal Government to pay the costs of making the rolls for distribution and distributing the funds to the Indians involved in the bill. The Indians won their case before the Court of Claims. I said and still say that I think it is unfair of the Federal Government to charge the Indians really with the cost of the action. That is what it in effect amounts to.

I have talked to an official in the Department of the Interior, and he puts to me this very realistic situation: That, irrespective of what one thinks about the principle involved, the fact is if the bill stands with this amendment in it, the Indians will not get their funds distributed until some delayed time in the future, because they must come before the Congress in January for a supplemental appropriation.

I do not intend to dispute with the Department of the Interior a surmise of mine, namely, that they probably could find the funds in the administrative budgets to pay for this sort of thing if there was a will to do it. They tell me they cánnot, and I take them at their word.

I certainly do not want to have these Indians suffer further delay in getting the distribution of funds for which they have been fighting for many, many years, Mr. President. In view of the fact that the charge probably will not be too great, and because they raise no objection to paying the charge—although I am satisfied they would share my feeling that it is rather an unfair cost to impose upon them—I ask unanimous consent to reconsider the votes by which the amendments to H. R. 4188 were ordered to be engrossed, and the bill to be read a third time and passed, in order that my amendment may be deleted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. McCARRAN. Mr. President, I do not quite understand the request.

Mr. MORSE. I will explain it. This particular bill refers to a case in which the Court of Claims awarded to the Tillamook Indians in my State certain funds that they had been in litigation about for many years; but the bill provides in section 4 thereof that the Indians will have to pay for the costs of making up the distribution rolls and carrying out, in effect, the court order.

I said I thought that was unfair. So I offered an amendment to strike section 4 from the bill, which would place the cost of distributing the funds on the Federal Government, where I think it belongs.

However, the Department of the Interior informs me that that would require their coming before Congress at the next session and asking for a supplementary appropriation to get the money to pay this cost, and the Indians would have payment of their claims postponed that much longer.

Although I still think my proposition is the equitable one, nevertheless I do not want to cause further delay to these Indians, so I ask that action on the bill be reconsidered so that my amendment may be deleted.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

The Chair hears none, and it is so ordered.

The bill is before the Senate.

Mr. MORSE. I ask that my amendment be deleted from the bill.

The PRESIDING OFFICER. Without objection, it so ordered.

The question now is on engrossment of the amendments of the Committee on Interior and Insular Affairs, and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read the third time.

The bill was read the third time and passed.

AMENDMENT OF RAILROAD RETIREMENT ACT, THE RAILROAD RETIREMENT TAX ACT, AND THE RAILROAD UNEMPLOYMENT INSURANCE ACT—BILL PASSED OVER

The bill (H. R. 7840) to amend the Railroad Retirement Act, the Railroad Retirement Tax Act, and the Railroad Unemployment Insurance Act, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Over, by request.

Mr. MANSFIELD. Mr. President, will the Senator withhold his objection for a moment?

Mr. HENDRICKSON. Gladly.

Mr. MANSFIELD. I understand that this bill passed the House by a vote of 360 to nothing. It was reported from the Senate committee by a vote of 11 to 1. I am afraid that if action is not taken on the bill at this time, no action will be taken during the remainder of the session.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Over, by request.

The PRESIDING OFFICER. The bill will be passed over.

BILL PASSED OVER

The bill (S. 3570) to authorize the sale of certain lands situated in Utah was announced as next in order.

Mr. McCARRAN. Over.

The PRESIDING OFFICER. The bill will be passed over.

EXTENDING TO MENOMINEE RESERVATION CIVIL AND CRIMINAL LAWS OF THE STATE OF WISCONSIN

The bill (H. R. 9821) to amend titles 18 and 28 of the United States Code was considered, ordered to a third reading, read the third time, and passed.

ACQUISITION OF NON-FEDERAL LAND

The Senate proceeded to consider the bill (H. R. 6814) to facilitate the acquisition of non-Federal land within areas of the National Park System, and for other purposes, which had been reported from the Committee on Interior and Insular Affairs with amendments, on page 1, line 4, after the word "the" where it occurs the first time, to strike out "Areas" and insert "existing boundaries"; in the same line, after the word "of", to strike out "the" and insert "any"; and at the beginning of line 5. to strike out "System."

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to facilitate the acquisition of non-Federal land within the existing boundaries of any national park, and for other purposes."

INCREASE OF PUBLIC DEBT LIMIT—BILL PASSED OVER

The bill (H. R. 6672) to increase the public debt limit was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. Over.

Mr. GORE. Over.

Mr. GOLDWATER. Mr. President, reserving the right to object—and I shall object—I do not think this is a bill which should be passed upon a call of the calendar. I should like very briefly to state my reasons.

Last year the Republican Party ran on a pledge to balance the budget and practice economy in government. I read from an encyclopaedia concerning the Republican Party:

> The Republican Party historically has balanced the budget. Under its leadership the United States has established a record for payment of national debt unequaled by any country in the world's history, and for rigorous economy in government management.

Last year about this same time the Congress was asked to increase the debt limit. As a Republican, I do not understand why the request did not come to us in February, March, or April.

I think it is uncalled for to ask a body as busy as we are, in the closing hours of the session, to consider such legislation hastily.

I am not sold for one minute on the proposition that the $6 billion increase which has been agreed to will be "temporary" and will terminate next year. It will continue, and the $6 billion will be added to another $6 billion, and so on.

The further we go away from balancing the Federal budget and practicing economy in government, the closer we come to economic disaster. I suggest that that is exactly what Stalin intended to do to this country. He never intended to kill us by bullets and bombs. He said that he would destroy the western powers by means of the demoralization and debauchery of their currencies. I suggest that that purpose is well on road to accomplishment.

The Republican administration has done a good job in cutting down expenditures. It has made a good gesture toward balancing the budget. I do not think we have gone far enough. I think we have done a good job, but I think we can do a better job. Therefore, I object.

The PRESIDING OFFICER. Objection is heard, and the bill will be passed over.

ISSUANCE OF PATENTS IN FEE TO LANDS OF MISSION INDIANS, CALIFORNIA

The bill (H. R. 8365) to confirm the authority of the Secretary of the Interior to issue patents in fee to allotments of lands of the Mission Indians in the State of California prior to the expiration of the trust period specified in the Act of January 12, 1891, as amended, was considered, ordered to a third reading, read the third time, and passed.

AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION, OPERATION AND MAINTENANCE OF WESTERN LAND BOUNDARY FENCE PROJECT—BILL PASSED OVER.

The bill (S. 114) authorizing appropriations for the construction, operation, and maintenance of the western land boundary fence project, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, reserving the right to object, I wonder if the distinguished Senator from New Mexico [Mr. ANDERSON] can tell the Senate just what the total cost involved is.

Mr. ANDERSON. $3,500,000 is authorized under the bill. The bill originally was discussed as a customs measure, and was rejected on that basis by the departments. With the advent of foot and mouth disease, and certain recent pests which have come across the border, the Department of Agriculture has asked that the bill be revived and passed. $3,500,000 would be made available.

Mr. HENDRICKSON. Has the junior Senator from New Jersey been incorrectly informed? I have been informed that the ultimate cost will be about $4,700,000.

Mr. ANDERSON. The Senator may be correct, and I may be mistaken. The authorization is for $3,500,000.

Mr. HENDRICKSON. That is not the authorization. Those figures are estimates of the agencies involved.

Mr. ANDERSON. The cost might run as high as $4 million. I cannot be sure. If so, that would be because the Department of Agriculture might slightly change the type of fence.

Mr. HENDRICKSON. Does the distinguished Senator from New Mexico feel that this expenditure would be justified?

Mr. ANDERSON. I certainly do; and so does the Department of Agriculture.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. JOHNSTON of South Carolina. Over.

The PRESIDING OFFICER. The bill will be passed over.

Mr. JOHNSTON of South Carolina subsequently said: Mr. President, with reference to Calendar No. 2257, S. 114, authorizing appropriations for the construction, operation and maintenance of the western boundary fence projection, and for other purposes, I objected to its consideration a few minutes ago when it was reached on the call of the calendar. I withdraw my objection.

The PRESIDING OFFICER. Is there objection to having the Senate return to the consideration of Calendar No. 2257, S. 114?

Mr. HENDRICKSON. I dislike very much to object, but I feel constrained to do so, because I have objected in the past under similar circumstances, and I do not want to discriminate as between Senators. Therefore, I ask unanimous consent that the bill go to the foot of the calendar.

The PRESIDING OFFICER. Without objection, the bill will be placed at the foot of the calendar.

LEASING OF RESTRICTED INDIAN LANDS IN ARIZONA OR NEW MEXICO

The Senate proceeded to consider the bill (S. 3043) to authorize the leasing of restricted Indian lands in the State of Arizona or on the Navaho Indian Reservation, in the State of New Mexico, for religious, educational, residential, business, and other purposes requiring the grant of long-term leases which had been reported from the Committee on Interior and Insular Affairs with amendments, at the beginning of line 4, to strike out "and any such lands on the Navaho Reservation within the State of New Mexico" and insert "(other than lands of the Navaho or Hopi Indians)"; in line 8, after the word "for", to insert "public"; in the same line, after the word "educational", to insert "recreational"; on page 2, line 8, after the word "for", to insert "public"; at the beginning of line 9, to insert "recreational"; and on page 3, line 1, after the word "to", to insert "section 5

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE
(For Department Staff Only)

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AUG. 14: Senate passed foreign-aid appropriation bill. Sen. Gillette urged House action on bill to place coffee trading under CEA. Sen. Symington spoke in favor of including additional county in Mo. area designated for emergency drought aid.

SENATE, AUG. 13

1. ATOMIC ENERGY. Rejected, 48 to 41, and sent back to conference H. R. 9757, the atomic energy bill. Senate conferees were appointed. (pp. 13638-64.) For provisions of the conference report see Digest 153.

2. PUBLIC DEBT. Passed as reported H. R. 6672, to increase temporarily until June 30, 1955, the public debt limit by $6 billion (pp. 13674-80). The bill as passed by the House provided for an increase in the debt limit from $275 billion to $290 billion without a time limitation.
Sen. Morse spoke in favor of this bill as passed by the Senate (p. 13741).

3. CCC BORROWING POWER. Sen. Holland submitted an amendment intended to be proposed by him to H. R. 9756, to increase the borrowing power of CCC from $8.5 billion to $10 billion (p. 13744).

4. FOREIGN-AID APPROPRIATION BILL, 1955. This bill, H. R. 10051, was made the unfinished business (p. 13739).

5. SOCIAL SECURITY; FARM LABOR. Passed with amendments H. R. 9366, the social security bill, which includes a provision extending social security retirement coverage to approximately 2.6 million additional farm workers who are paid at least $50 in cash wages by one employer in a calendar quarter (pp. 13664, 13680-7, 13689-739). Agreed to the committee amendments en bloc (pp. 13683-4). Agreed to a Sen. Smathers' (for himself and Sen. Holland) amendment which eliminates coverage of workers from Jamaica, Bahamas, and the British West Indies who are brought into Fla. yearly on a temporary basis to perform agricultural labor (pp. 13685-6). Rejected Sen. Stennis amendments which would have restored the present law with respect to coverage of farm workers (pp. 13726-8). Senate conferees were appointed (p. 13739). House conferees have not be appointed.

ITEMS IN APPENDIX

6. FARM PROGRAM. Sen. Thye inserted a Mankato (Minn.) Free Press article opposing any reduction in price supports "... until other essential adjustments of the Nation's economy have been achieved" (p. A6026).

7. PERSONNEL. Extension of remarks of Rep. Martin, Ia., endorsing the President's loyalty program and inserting portions of Philip Young's, CSC, testimony before the Senate Civil Service Committee in which he outlined the employee security program (p. A6025).

8. TVA. Sen. Kefauver inserted Geo. Dempster's, pres., Citizens for TVA, Inc., statement outlining the development of TVA programs and the benefits derived from these programs including agricultural efforts and forestry program (pp. A6033-4).

BILLS INTRODUCED - AUG. 13

9. ATOMIC ENERGY. S. J. Res. 184, by Sen. Knowland, to amend the Atomic Energy Act of 1946, as amended; to Joint Committee on Atomic Energy (p. 13631).

10. PERSONNEL. S. 3868, by Sen. Knowland, authorizing the payment of salary to any individual given a recess appointment as Comptroller General of the U. S. before the beginning of the 84th Congress, ordered to lie on the table (p. 13744).

BILLS APPROVED BY THE PRESIDENT

11. CREDIT UNIONS. S. 3683, to amend the D. C. Credit Unions Act. Approved August 10, 1954 (Public Law 576, 83rd Cong.).

12. WATER COMPACTS. S. 3699, granting Federal approval to the interstate compact on the Sabine River. Approved August 10, 1954 (Public Law 578, 83rd Cong.).

SENATE, AUG. 14

13. FOREIGN-AID APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 10051 (pp. 13775-814). Agreed to the committee amendments en bloc (pp. 13776-7). Agreed to a Sen. McCarran amendment to provide that the surplus commodities to be made available to Spain (in the amount of $55 million in unobligated balances) shall be made available under section 402 of the Mutual

the searchlights of Congress were playing on the State Department.

Senators will recall most of the episodes.

We have not yet found out who took over the vast surpluses of war materiel in 1945, worth many billions of dollars, and smashed them, or threw them into the sea, so they could not be given to Free China, or any country the Communists were planning to attack.

We have not yet traced the forces which broke up our great military establishment in Europe and the Pacific in 1945, though we knew the Communist maritime unions, and the hidden Communists in the Armed Forces, played a part in it.

There are other things I do not like, such as the enormous appropriations which give us a fat distended defense system, where we need a lean and muscular one. Nor do I like the curious swings in defense appropriations. I do not like the way Secretary of Defense Forrestal was harassed into an early grave, because he knew how to stop communism. I do not like the way Secretary Johnson was forced out of office during the worst of the Korean War by a newspaper cabal acting to suit Secretary of State Acheson. I do not like the "mom stuff" which weakened our toughness, the loss of unit identity, changes in military justice, the belittling of officers and rank the status of forces treaties—here is something to be proud of—the subtle weakening of morale, which has reduced our reenlistments and greatly increased the cost of our defense. Hanson Baldwin recently listed some of the poorest of our postwar military policies, everyone of which I thought could be traced to sabotage of our military policy by hidden Soviet sympathizers.

Most important of all, I do not like the precedent set by President Truman's accepting appointment as U. N. military representative for the war in Korea. Did that act take the American President out from under the Constitution? Did it mean that, as a U. N. military official, he could give what orders he wished to the U. N. forces, free of the restrictions in the United States Constitution? Could Americans in the U. N. forces be ordered to do what American forces cannot do under the Constitution—take military action in a domestic crisis? Are our fighting men deprived of any constitutional rights when the new authority takes over? We do not know. But Congress does not want to find out, in some later crisis, that the American President has acquired a precedent for absolute power the Constitution was designed to forbid.

In short I see disturbing indications that our Armed Forces have been subjected to a carefully planned Communist campaign, working through many channels, to weaken our military strength so far as it could be done without detection, and to separate it as far as possible from Congress.

We have learned what hidden Communists did to our foreign policy agencies. That has been documented. We have not spelled out what they did to our military agencies.

No Senator would want to sit down at a chess game with the Soviet chess team, if he thought his American partner was a secret Communist, planning how to throw the game to the Soviet players without being detected. Mr. President, you and I do not want to draft American youth, to engage in any military contest with the Soviet forces, if somewhere, high up on our side, someone is secretly planning how to throw the contest to the Soviet side, without doing anything tangible enough to be found out.

WE MUST PUT DEFENSE OF AMERICA FIRST

I want something very simple. I want to cut the silken threads which tie our Defense Establishment to any policy or agency except defense. I want our military to work at one problem only—how can we best protect the United States, today?

I do not want our military to be limited to explaining how to defend the United States within the framework of alliances and global commitments made by Hopkins, Acheson, White, and Hiss. I want the President, the Secretary of Defense, and our military experts, to prepare the best possible plans for defense of our country, without reference to existing foreign policy commitments, and to report the results to Congress and the people.

We shall be told that defense plans must be hush-hush. That is ridiculous. Timing, weapons, tactics, must be kept secret, but strategy cannot be kept secret.

Furthermore, I believe that unless the people of the United States are given new faith in a basic strategy to defend our country, we shall drift in hopeless confusion, while the world is taken over.

So far as our present Government is concerned, we have a golden opportunity. General Eisenhower was trained in the tradition that military men were proud to swear loyalty to the Constitution, and to obey the civil power on political issues because it, too, obeyed the Constitution. He knows the waste and loss and confusion of the years when civilians eager for power took over the making of professional military decisions in Europe and Asia, and pushed aside military advisers who thought solely of the security of our country.

We could not ask for a better team than President Eisenhower, Defense Secretary Wilson, Admiral Radford, and the other Joint Chiefs.

We ask only that they put first questions first: What is the true military situation in which we find ourselves? What is the best military judgment of American military men? What is the true American solution for the dangers we face?

Having found the clear precise pattern of our military situation, standing alone, we can then decide when and how we shall cooperate with other nations to prevent Soviet world dominion. The only requirement is that our friends must pass our military test: Will they stand up under Communist pressure?

Let Senators ask themselves that question today about France and Italy, to whom we are sending $3 billion, and who have already had $10 billion.

We want no more elaborate "defense plans" which tie our strength to nations which will collapse at the first thrust.

We do not want airbases on the soil of nations whose maritime unions are under control of Moscow. We do not want our troops quartered with nations which have nonaggression pacts with Moscow, or are eagerly nibbling at the steel hook of peaceful coexistence, all covered with the pretty feathers of East-West trade.

We do not want to station men at bases abroad where they will be interned the day war starts. We do not want to assembly any more war materiel at points convenient for the Communists to seize it.

We want every step in American security policy to be clear and open, with a direct chain of command from our fighting men to the American President. We want all of our defense program to be managed by defense officials operating with clear-cut authority. We do not want any crisscross organization where internationalist lawyers can spin the silken threads which bind our military strength on the instructions of men we cannot see.

We do not want any chess players on our side who are secretly working for a Soviet victory by moves so quiet, so neatly contrived, that they will not be recognized.

INDEPENDENCE FOR ASIA

We can then announce a clear and simple policy to the world. We shall permit nothing to interfere with defense of our country. We shall help others if they want independence for themselves.

As a small nation we fought a war with a great power to win our own independence. We have a natural sympathy with other small nations who love independence.

The Communist slogan is "Asia for the Asians." But the pitiful Chinese laborers in the uranium mines of Czechoslovakia know that an Asian slave driver is still a slave driver.

Our slogan should be "Independence for the Asians." Our policy should be arms, equipment, and training for the nations which will fight to remain free.

I do not want war for my country. I do not want the youth of Asia to go to war if they can avoid it. But I know they will prefer to fight if they must choose between a soldier's pack and a prisoner's chains. The same principle applies to Europe. If the West Germans know they wish to be free, but the French and British cannot make up their minds, then we must support the full rearmament of Germany, without tying her to reluctant allies through the EDC.

This is in fact the only hope of preventing war. The tensions inside the Communist slave states are so great that they would burst asunder, except for new Communist conquests, which provide booty to quiet the starving and the embittered. It is not the Soviet Union but its fifth columns which make these conquests possible. When the Communist empire must face armies of freemen, poised on her borders, when it can get no secret help from fifth columns in the

western nations, the end of the Communist nightmare will be at hand.

The giving of training and equipment to preserve the independence of Asian small nations involves no conflict with the U. N., as it ostensibly operates. The U. N. has raised no objection to Red China's supplying arms and training, and even trained fighting men to the Viet Minh. The U. N. raised no objection to the Soviet Union sending arms, equipment, and training to Red China, when she was fighting our forces. If the U. N. permits the Communist states to supply arms for conquest, it cannot morally or legally object to our supplying arms to nations which ask only to remain free. Let us say so openly.

There is furthermore no good reason why American officials should not present a truly American viewpoint in U. N. We do not have to ask others what we think. We cannot look to U. N. for judgment better than our own. Insofar as we cooperate with U. N., it is still our duty to find the best solution of our military and political problems. We can hold fast to our own beliefs, in all meetings and political conferences, until some other nation publicly presents a better plan.

Let us remember—U. N. is not made up of supermen. It is made up predominately of members of the leftwing cabals which have the dominant power in so many countries today. They ask us to accept U. N. decisions without using our intelligence, as if they were superjudgments. But the collectivist inner circle wants us to accept without question policies which lead to one world supergovernment under their complete control.

TIME FOR NEW BEGINNINGS

It is time, Mr. President, for a total reexamination of our security as a nation. The New Look in defense must be not a slight rearrangement of the Hopkins-Acheson-Hiss-White military policy but a wholly American military policy, made from the beginning by President Eisenhower, Secretary Wilson, Admiral Radford, and his colleagues, for one purpose only—the military security of our country.

As a first step, we should have tabled the mutual defense authorization bill for this session. Of course, that would not have been done. There is plenty of time to prepare a new bill in accordance with our new defense policy, early in the next session. We have plenty of time. There is plenty of money available. More than $10 billion is available. There is enough money for the next 3 years, without appropriating another nickel.

The Foreign Operations Administration has $10 billion still unspent. If we vote for this bill, we vote to keep the FOA program in its present form for 3 full years. If Senators want to do that, they can vote for it.

French newspapers reported months ago that FOA plans to give most of the money saved from military aid in southeast Asia for an enlarged plan for economic and social aid and point 4, in foreign countries. That suggestion which was first made in the French newspapers is now appearing in our press. We shall be told that military help is futile in fighting the Communist legions, and that economic and social aid will somehow do better.

This plan was first formally proposed several years ago, and approved by President Truman. It resembles closely the long-term Soviet objective—to get American resources divided up among the rest of the world, so that our standard of living will fall, while we pour capital goods into the countries they plan to take over.

Congress should know much more about this substitute for military aid before it votes more funds to FOA.

For nearly 20 years, a few of our Government servants have been secretly trying to become our masters. First they scattered welfare largesse far and wide, then they learned to enjoy the thrill of vast war operations, and finally to construct a system of legal bars and boobytraps so delicate it could hardly be seen, so powerful that sovereignty could never be recaptured by the people.

Geneva is their monument. We must sink slowly down to the defeat they planned for us, or rise up and walk.

Geneva was a disaster. We have an opportunity to make it a Dunkerque.

Our country is fortunate in having the leadership which can guide us out of the wilderness the collectivists have made. Our people are ready and eager. I know all Members of this Congress, including all true Democrats and true Republicans, will give of their best.

Let us make the blackness of Geneva the dark before the dawn. Let us say to the sorrowful people of Vietnam and all the other people now in the shadow of the Communist assault, that never again will the American Government consent to see an innocent people subdued to slavery.

We must free ourselves first.

We must never again let our strength be bound, like Gulliver, by bonds fastened on us by the little people who love power. If we free ourselves, I am confident the Communist barbarian invasion will stop and then recede, to be scattered, like the legions of Attila or Genghis Khan, to the four winds, as the free people of the world see ahead the light of hope.

ORDER FOR RECESS UNTIL 10 O'CLOCK A. M. TOMORROW

Mr. KNOWLAND. Mr. President, after consulting with the minority leader, I ask unanimous consent that when the Senate concludes its business this evening it take a recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

CONVEYANCE OF LAND TO STATE OF CALIFORNIA FOR AN INSPECTION STATION

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3239) to authorize conveyance of land to the State of California for an inspection station, which was, on page 2, lines 6 and 7, strike out ", as shown on the accompanying map of the above-mentioned highway."

Mr. KNOWLAND. Mr. President, may we have an explanation of the amendment?

Mr. KUCHEL. Mr. President, I may say, first of all, that I have discussed this matter with the minority leader and with the majority leader, and it is satisfactory to them that this matter should come up at this time.

The bill, which was unanimously passed by the Senate, affects, as the title suggests, the conveyance of a piece of property from the Federal Government to the State of California. The House has added an amendment which eliminates a phrase contained in the bill as it passed the Senate. It is irrelevant to the bill and should not be included in it. The language eliminated is: "as shown on the accompanying map of the above-mentioned highway."

I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on the motion of the junior Senator from California [Mr. KUCHEL].

The motion was agreed to.

INCREASE OF PUBLIC DEBT LIMIT

Mr. KNOWLAND. Mr. President, pursuant to discussions which I have had with the minority leadership, I ask unanimous consent that the unfinished business, Calendar No. 2004, H. R. 9366, the social-security bill be temporarily laid aside, and the Senate proceed to the consideration of Calendar No. 2254, H. R. 6672, which is the public debt limit bill.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). The Secretary will state the bill by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 6672) to increase the public debt limit.

The PRESIDING OFFICER. Is there objection to the request of the Senator from California?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance with an amendment to strike out all after the enacting clause, and insert:

That during the period beginning on the date of enactment of this act and ending on June 30, 1955, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by $6 billion.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MILLIKIN. Mr. President, with reluctance, I have introduced, on behalf of the Senate Finance Committee, a bill to raise the debt limit of the United States by $6 billion for a temporary period terminating next June 30.

The necessity for this action is demonstrated by simple arithmetic. It is required to enable the Treasury to pay the bills of the various departments of the Government in accordance with the appropriations voted by the Congress in this and preceding sessions. Without this action the Treasury would not be in a position to pay the bills between now and next June 30.

As all Senators know, the aggressions of communism in Korea and elsewhere compelled our country to undertake a great arms program. It was the only way of safeguarding our country and other free nations from the deliberate plan of communism to dominate the whole world.

Our huge defense program made necessary large appropriations. When the present administration took office there were about $80 billion of accumulated authorizations for expenditures, largely in connection with this program, in addition to requirements for current appropriations.

The Congress and the Executive, working together, have pared this program and other Government programs down to bare essentials. A deficit of $9½ billion in fiscal 1952–53 was reduced in the past year to $3 billion, despite the fact that taxes were reduced. Authorizations for new spending have been subjected to the closest scrutiny, and are being reduced each year by the Congress and the Executive.

Last week, when the Secretary of the Treasury came before the Finance Committee, he pledged that the administration would exert every effort to reduce expenditures further, consistent with our national defense. The Appropriations Committees and other committees of the Congress have given evidence of their earnest efforts in the same direction. In spite of these efforts, we continue to have, for the time being, deficits which must be financed.

Our problem is complicated by the fact that taxes are not collected evenly during the year. There is a wide variation in the collection of corporate income taxes under the Mills plan. For example, the Treasury collected $16 billion of corporate taxes in the first 6 months of 1954. In the second 6 months it will collect only $4 billion. To meet this disparity, the Treasury must borrow money between now and December 31, much of which it can repay next March and next June when corporate tax receipts are heavy. The borrowing for this purpose will increase the national debt above the present limit.

The total debt on August 2, 1954, was $274.1 billion and the cash on hand was $5.9 billion. The best estimate of the Treasury is that expenditures between now and January 15, 1955, will exceed receipts by nearly $9 billion. Without any change in the debt limit we would, by January 15, have no cash balance and would still have more than $2 billion of bills unpaid. This is based on the best estimates; and the facts may prove the estimates to be wrong to the extent of two or three billion dollars for the better or worse. Therefore, Mr. President, the simple arithmetic of this situation means that we must increase the debt limitation.

The next question is, How should we do what is necessary to be done? A year ago the administration requested an increase of $15 billion in the debt limit. The Secretary of the Treasury indicated to the Finance Committee last week that he can get along with a smaller increase than that. This is because the Congress and the Executive, working together, were able to bring about a substantial cut in Government expenditures. The Secretary of the Treasury suggested, in response to our inquiry, a $5 billion continuing increase in the debt limit and, in addition, a temporary $5 billion increase to take care of the seasonal swing in budgetary receipts which I have described.

A majority of the Finance Committee, after full discussion, recommends to the Senate a temporary increase of $6 billion, which will expire next June 30. The committee believes that this action will carry us through the present fiscal year.

In proposing this temporary and limited increase, the committee gives evidence of its great concern over the continuance of deficit financing, and its desire to bring spending under control.

In presenting to the Senate the recommendation of the committee, I conclude by again emphasizing that the entire question of the control of spending and national policy with respect to the ceiling on the debt will require our continuing interest and further review at the next session of the Congress.

Mr. BYRD. Mr. President, the pending bill will not increase the permanent Federal debt ceiling. It would authorize the Secretary of the Treasury, as the chairman of the Committee on Finance has just said, temporarily to borrow up to $6 billion in excess of the permanent $275 billion limit. This temporary authority expires June 30, 1955, under terms of the bill as recommended by the Senate Finance Committee. It was adopted by the Senate Finance Committee 9 to 6 as a substitution for a higher debt ceiling.

Maladjustment in tax collections as between periods within the fiscal year is the reason why temporarily it is necessary to exceed the present statutory limit at certain periods. Under recent tax laws collections have been running high in the first 6 months of the calendar year, which is the last half of the fiscal year, and they have been running low between June and January. For example, 45 percent of the 1954 payments from corporations were paid in March and 45 percent in June and only 5 percent in September and December.

Therefore, peaks and valleys in revenue collections result largely from the practice of collecting practically all of the corporation income tax in the first half of the calendar year.

Restoration of the quarterly system of corporation tax payments is provided in the new tax code just enacted by Congress, and the problem of unevenly distributed collections will be eliminated gradually.

The Federal tax revenue for the current fiscal year is estimated at $61.5 billion. If this were collected by the Treasury in equal monthly amounts, there would be no necessity for increasing its borrowing authority for any period in the year.

If this total were spread equally over the 12 months in the current fiscal year, the Treasury, despite a $4 billion deficit, could meet its monthly expenditure requirements within the $275 billion permanent debt limit, with never less than $6 billion in combined borrowing authority and cash balance.

This is clearly demonstrated in a table I have prepared showing what the monthly fiscal situation would be this year if the revenue collections were equally spread over the 12 months.

Mr. President, I ask unanimous consent to have the table printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Month	Revenue	Expenditures	Deficit or surplus	Leeway under statutory debt limit, plus cash balance
June 30, 1954				$10.4
July	$5.1	$5.3	−$0.2	10.2
August	5.1	7.0	−1.9	8.3
September	5.1	4.5	+.6	8.9
October	5.1	5.3	−.2	8.7
November	5.1	5.0	+.1	8.8
December	5.1	6.4	−1.3	7.5
January	5.1	5.0	+.1	7.6
February	5.1	4.6	+.5	8.1
March	5.1	5.3	−.4	7.7
April	5.1	5.2	−.1	7.6
May	5.1	5.1		7.6
June	5.1	6.7	−1.6	6.0
Total	61.2	65.6	−4.4	

Mr. BYRD. Mr. President, unfortunately, correction of these maladjustments in revenue collections cannot be made effective in the current year. As a result leeway under the debt limit will be exhausted and the cash balance will be drained in the July to December period, leaving neither borrowing authority nor cash balance to supplement collections in the January to March quarter.

Figures submitted by the Secretary of the Treasury indicate a shortage of funds from November 1954 to March 1955. As of July 30, 1954 the combined borrowing capacity and cash on hand aggregated $10.4 billion dollars, and by next June 30, without additional borrowing authority, it would be back to $6 billion.

Figures submitted by the Secretary of the Treasury show a shortage of funds in the period from November to March.

As of June 30, 1954, the combined borrowing capacity and cash on hand aggregated $10,400,000,000. That total was available at the start of this fiscal year.

The temporary authority to exceed the statutory debt limit by $6 billion between now and next June, as proposed in the pending bill, would provide the Treasury with a minimum working balance of approximately $4 billion at all times. As this point I shall indicate when the shortages will occur.

On December 15, under the existing maladjustment of income, the Treasury would have exhausted its borrowing capacity, there would be no cash on hand, and the cash position would be minus $700 million. To that extent the Treasury will lack funds with which to pay its bills.

The January 15 borrowing capacity would be exhausted, and the cash position would be minus $2,100,000,000.

On January 31 the cash position would be minus $900 million.

On February 15 the cash position would be minus $100 million.

On February 28 the borrowing capacity would be exhausted, and there would be no balance on hand.

On March 15 the cash position would be minus $1,300,000,000.

From that date on the balance would accumulate, without any increase in the debt ceiling, so that on June 30 of next year the Treasury would have borrowing authority of $1,400,000,000 under the $275 million debt limit, and $4,500,000,000 in the operating cash balance, making a total of approximately $6 billion.

The temporary authorization of a $6 billion increase in the debt limit would at all times provide for the shortages, and would give the Treasury a working balance of not less than $4 billion. It seems to me that that should be sufficient.

Mr. President, I ask unanimous consent to have printed at this point in my remarks a table showing the Treasury's monthly position under the $275 billion debt limit presented to the Committee on Finance by the Secretary of the Treasury. This table clearly shows the fiscal strain resulting from peak and valley collections.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Public debt outstanding and Treasury cash, semimonthly, fiscal year 1955

[Estimated in billions of dollars]

	Debt outstanding subject to limit	Leeway under limit	Operating cash balance
1954:			
June 30 (actual)	270.8	4.2	6.2
July 15 (actual)	[1] 270.4	[1] 4.6	[1] 4.5
July 31	[1] 270.4	[1] 4.6	[1] 3.7
Aug. 15	274.4	.6	5.2
Aug 31	274.6	.4	4.9
Sept. 15	274.2	.8	3.9
Sept. 30	274.3	.7	4.8
Oct. 15	275.0	----------	3.7
Oct. 31	275.0	----------	2.6
Nov. 15	275.0	----------	2.1
Nov. 30	275.0	----------	1.6
Dec. 15	275.0	----------	−.7
Dec. 31	275.0	----------	−.9
1955:			
Jan. 15	275.0	----------	−2.1
Jan. 31	275.0	----------	−.9
Feb. 15	275.0	----------	−.1
Feb. 28	275.0	----------	----------
Mar. 15	275.0	----------	−1.3
Mar. 31	275.0	----------	3.7
Apr. 15	275.0	----------	2.4
Apr. 30	275.0	----------	3.1
May 15	275.0	----------	3.1
May 31	275.0	----------	2.5
June 15	275.0	----------	.9
June 30	273.6	.4	4.5

[1] Revised from figures used in July 8, 1954, table to reflect experience during 1st half of July.

Source: Office of the Secretary of the Treasury, July 20, 1954.

Mr. BYRD. The Eisenhower administration is pledged to a balanced budget. Last year it reduced expenditures by more than $6 billion as compared with fiscal year 1953. The expiration of this new temporary borrowing authority as of next June 30 anticipates, and gives the opportunity for, still further efforts to balance the budget in the year beginning next July 1.

I am pleased to note that the President has issued instructions to all departments and agencies of the Government to reduce their expenditures even more in the preparation of their budget estimates for next year. This can be done without impairment of any essential Federal function to the extent that there will be no necessity next year to renew the temporary borrowing authority provided in this bill.

It was a year ago that the President requested Congress to increase the debt limit from $275 billion to $290 billion. A bill making this increase was passed by the House of Representatives and sent to the Senate. The Senate Finance Committee heard the testimony of administration spokesmen who said unless the debt limit were raised by $15 billion at that time the Government would be unable to pay its bills and a panic would result.

After full deliberation, the Finance Committee, 11 to 4, refused to report the $290 billion debt limit bill. What happened? The heavens did not fall; panic did not occur. The administration reduced its spending and stayed within the statutory debt limit.

In my opinion the action by the Finance Commitee last year was the greatest single factor in the expenditure reduction. But there was still a deficit of more than $3 billion which has reduced both borrowing authority and the cash balance. Without a huge balance the low revenue months cannot be bridged.

The debt limit is no mere gadget without real purpose. Congress, for many years, has fixed a Federal debt limit beyond which Government officials cannot borrow. Today this $275 billion limit is of real significance to our future solvency. It is true that nearly every State has a constitutional provision against deficit spending and also every city and county.

Prior to World War I Federal debt was a minor problem. On July 1, 1914, the interest-bearing debt was less than $1 billion. At that time Federal debt could be created only by act of Congress which specified the purpose. I wish to emphasize that, Mr. President. On July 1, 1914, and before that date, during the entire history of this Government, there could be no debt authorized by the Government except by act of Congress which specified the purpose for which the debt was created.

This procedure was revised to meet the needs of World War I. It was in that period that the Secretary of the Treasury was given authority to borrow, subject to an overall limit fixed by Congress.

This statutory limit was first fixed at $11.5 billion, and then raised to $20 billion, to $28 billion, to $37 billion, and then to $37.5 billion in 1921.

The limit was kept at $37.5 billion for 10 years. In 1931 it was raised to $45.5 billion, and then to $48 billion in 1934. In 1935 it was reduced to $45 billion.

In 1940 it was raised again to $49 billion, then to $65 billion in 1941. With the beginning of World War II, it was raised to $125 billion in 1942, to $210 billion in 1943, to $260 billion in 1944, and it is now $275 billion.

The $275 billion Federal debt which we now owe is equivalent to the full value of all the land, all the buildings, all the mines, all the machinery, all the livestock—everything of tangible value—in the United States. We are mortgaged to the hilt.

It should be the considered judgment of everyone of us that the Federal debt should not be increased except for extreme national emergency, and the size of the Federal debt is the greatest national emergency confronting us at the moment.

We, of our generation, should pause to realize that we are the trustees of our freedom. It is our obligation to preserve sound government for future generations.

This Nation has been through many wars, and after each of them, except World War II, we have discharged at least part of the debt incurred for our defense. After World War II we continued to add to our national debt, and 10 years after its conclusion we still are borrowing.

For all practical purposes, there has been no reduction in the Federal debt since the end of World War II. The only reduction was made with unused proceeds from a huge bond issue just before the end of the war. When the war contracts were canceled, the unused money was used to reduce the debt. Otherwise the debt has been increased steadily by deficits in 21 of the last 24 years.

Mr. President, let me repeat that. In 21 of the last 24 years, we operated at a deficit, and we had a balanced budget in only 3 of those years.

Young men and women, born in 1930, have lived under a Government operating in the red virtually all of their lives. Today the interest on the Federal debt takes more than 10 percent of our total Federal revenue. Without the tremendous cost of this debt, our annual tax bill could be cut 10 percent, across the board.

As it is, we are borrowing money at this very time to pay interest on money we have borrowed before. That means the interest is compounded.

In a Government grown callous to deficit financing, to increase the permanent debt limit would be regarded by every bureaucrat as license to increase his demands for higher expenditures. The lid would be off.

It is my firm conviction that if we had increased the debt limit to $290 billion a year ago, we now would be approaching that limit and preparing ourselves for another request to raise it again to $300 billion.

Actually, we should be reducing the debt at this time, not increasing it. If we cannot balance the Federal budget and reduce the debt in peace and better-than-normal prosperity, when can it be done?

This request to raise the debt limit behooves us to take a close look at our fiscal situation.

Our existing debt is $275 billion; and this is not all.

We have contingent liabilities totaling $200 billion in obligations the Federal Government has guaranteed, insured, and otherwise assumed on a contingent basis. Within this total there is probably some $40 billion outstanding in contingent Federal housing program liabilities. And from recent disclosures, largely confined to only one of FHA's 14 programs, it is evident that a large percentage of these contingent liabilities eventually will become a real draft on the Treasury. And this is not all.

In addition to the $275 billion in direct debt, and the $200 billion in contingent liabilities, we have on our hands a social-security system which is no longer actuarially sound. The ultimate cost to the Federal Treasury of this system is still unestimated. But the fact remains that when the premiums imposed upon those covered into the system are no longer sufficient to pay the benefits, regular tax revenue collected by the Treasury from those in and out of the system will be used to finance the deficiency.

In opposing the requested increase in the permanent statutory debt limit, it is not my purpose to embarrass the administration. To the contrary, the effort to hold the lid on the debt is to strengthen the administration's hand for economy leading to the balanced budget which the President of the United States sacredly pledged in his 1952 campaign.

We should never be misled by academic star gazers who contend that public debt is unimportant when we owe it to ourselves.

Public debt is not like private debt. If private debt is not paid off, it can be ended by liquidation. But if public debt is not paid off with taxes, liquidation takes the form of disastrous inflation or national repudiation. Either would destroy our form of government.

Few will deny that we have reached our solvent limit. As to inflation from deficit financing, I have two tables developed from official sources, and they have been checked and rechecked. One shows deficit spending by years since 1940. The other shows the fall in the purchasing power of the dollar over the same period.

Beginning with 100-cent dollars in 1939, the purchasing power dropped 5 cents in 1940 and 1941 when the combined deficits were more than $8 billion. Despite wartime controls, it dropped 17 cents under the pressure of war deficits. And under postwar deficits it has dropped another 26 cents. As we all know, the purchasing power of the dollar is now estimated at 52 cents as compared with the purchasing power of the dollar at 100 cents in 1939.

Mr. President, I have a table showing year by year how, under deficit spending, the value of the dollar has declined. I ask unanimous consent to have the table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Year	Purchasing power of the dollar as measured by index 1935-39=100	Fiscal year deficits (−) or surpluses (+) in billions
1940	99.8	−$3.6
1941	95.1	−5.1
1942	85.8	−19.6
1943	80.8	−55.8
1944	79.6	−49.6
1945	77.8	−53.9
1946	71.7	−22.0
1947	62.7	+.7
1948	58.2	+8.4
1949	58.8	−1.8
1950	58.2	−3.1
1951	53.9	+3.5
1952	52.7	−4.0
1953 (September)	51.9	−9.4
1954 (June)	52.0	−3.0

Mr. BYRD. Mr. President, I shall cite a few of those years. These are official figures prepared by the Library of Congress. In 1941 the purchasing power of the dollar had declined 5 cents from 1939. In 1942 it declined 10 cents in 1 year, and the purchasing power of the dollar was 85 cents. In 1941 it was 95 cents. With all the financial disaster suffered by some of the European nations, not many of them had lost 10 percent of the value of their money in 1 year. In 1942 the value of the dollar went down 5 more cents, because in the 2 years I have given, when it went down 15 cents, we had deficits of $74 billion.

In 1944, when we had a deficit of $49 billion, it went down 2 cents more.

In 1946, when we had a deficit of $22 billion, it went down 6 cents more.

In 1947 it went down 9 cents; and so forth.

I do not contend that deficit spending is the sole cause of inflation. Of course there are other causes of inflation. But I respectfully submit that this table indicates—and I think most economists will agree—that deficit spending is perhaps the greatest single factor in the cheapening of the value of the money of any country.

We may regard these facts and figures lightly, if we choose, but the loss of half the purchasing power of its money in 13 years should be a serious warning to any nation. As I have said, other factors may be involved, but there is no doubt that deficit financing cheapens money. Cheapening money is inflation. Inflation is a dangerous game. It robs creditors. It steals from pensions, wages, and fixed incomes. Once started, it is exceedingly difficult to control.

Mr. President, I wish to compare for a moment the debt of the United States with the debts of other nations in Europe to which we have been making very large contributions.

Austria, for example, from the latest information, has a debt of $500 million.

Belgium has a debt of $5 billion.

Denmark has a debt of $1.2 billion.

France has a debt of $13 billion. I think the records will show that we have given to France more than $13 billion under the different plans of distributing our money abroad.

Greece has a debt of $510 million.

The Netherlands has a debt of $6 billion.

Norway has a debt of $1 billion.

Portugal has a debt of $434 million.

Turkey has a debt of $1 billion.

The United Kingdom has a debt of $71 billion.

The total for the debt of those countries is $113 billion. In other words, the debt of the United States is two and one-half times as great as the combined debts of 12 European nations, all of which have been the recipients of our bounty. We are still contributing in a large measure to those countries, which have a smaller debt on a per capita basis and otherwise than the United States of America has.

We still have practically the highest taxes we have ever known, yet a balanced budget is not in sight. Unless Federal spending is still further reduced, deficit spending and inflation will continue to the bitter end, which is insolvency. Increasing our borrowing is merely a panacea. The only real remedy is to reduce spending.

We cannot defend ourselves militarily in insolvency. We cannot preserve our freedom in insolvency. The only real answer is to reduce spending. Our currency would be worthless in insolvency.

Those who willfully or otherwise would destroy American solvency would destroy freedom for people everywhere.

Today we are at peace. That is to say, while we must maintain a massive military organization, we are not at war. This period of international crisis may continue for many years. We must live with it and adapt our financial affairs to it. Great perils are lurking in this troublesome world. To be prepared for eventualities, we should strengthen our domestic economy and not weaken it.

The temporary increase which is proposed to be granted under this bill should not be renewed. The administration should reduce its expenditures within the fiscal year beginning July 1, 1955, so that it will not be necessary to renew the temporary increase.

The administration can prepare the next budget so that renewal of this provision will not be necessary. This is what should and must be done.

Let me say in conclusion that it is with great reluctance that I, as one who has fought to the utmost of my capacity against increasing the debt limit, made the motion in the Senate Committee on Finance temporarily to increase the debt limit, for the reasons which I have mentioned. I did so because I realized that for a period of 4 months the Treasury of the United States would be in an embarrassing position if we did not do so.

I know we must pay our bills. I know that when we create a debt, when we buy implements of war, or whatever our obligations may be, we must meet our obligations, and meet them on time. It has never been my desire or purpose, in the efforts I and my colleagues have been making to keep the debt within a reasonable limitation, to create a situation which would be financially embar-

rassing to those who must pay the bills from the appropriations which are made by Congress.

Mr. President, I submit that the time has come when we must cease increasing the debt. I further submit that the Congress has lost control over the budget. Why? Because there are unexpended balances today aggregating $60 billion.

We shall have appropriated, when we adjourn, another $55 billion or so, which authorizes the administration to make expenditures of $115 billion. That is to say, should it be physically possible to expend that sum and should the money be available either from taxes or from borrowing, at any time in this fiscal year the Government could spend the entire amount of unexpended appropriations and new appropriations which we have provided this year.

As the Senate well knows, when we pass an appropriation bill there is no way in the world to tell how much of the money will be spent in the next fiscal year or in some other fiscal year. There is no way in the world to tell what the administration will be called upon to spend from the $60 billion unexpended balances it has on hand.

I conclude with the thought that the time has come to set our financial house in order. The time has come to put this country on a sound fiscal basis. If we do not do so, sooner or later we shall suffer disaster.

I ask unanimous consent that following my remarks tables 2, 3, and 4, which are the latest estimates of expenditures and revenues, as prepared by the Treasury Department as of July 20, 1954, be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 2.—*Budget receipts and expenditures fiscal years 1954–55*

[In billions of dollars]

	Budget receipts		Budget expenditures		Budget deficit (−) or surplus (+)	
	1954 actual	1955 estimated [1]	1954 actual	1955 estimated [2]	1954 actual	1955 estimated
July	3.4	3.0	4.8	5.3	−1.4	−2.3
August	4.4	4.0	6.3	7.0	−1.9	−3.0
September	5.9	4.9	6.0	4.5	−.1	+.4
October	3.0	2.4	5.8	5.3	−2.8	−2.9
November	4.6	4.1	5.2	5.0	−.6	−.9
December	4.6	4.1	6.4	6.4	−1.8	−2.3
January	5.0	4.9	5.2	5.0	−.2	−.1
February	5.4	5.4	4.7	4.6	+.7	+.8
March	11.4	9.1	5.6	5.5	+5.8	+3.6
April	2.8	4.4	5.3	5.2	−2.5	−.8
May	3.6	4.7	5.2	5.1	−1.6	−.4
June	10.5	10.5	7.1	6.7	+3.4	+3.8
Total	64.6	61.5	67.6	65.6	−3.0	−4.1

[1] Estimates are based on the January 1954 budget document except that they allow for reduced receipts of about $1.2 billion because of the Excise Tax Reduction Act of 1954.

[2] Estimates are based on the January 1954 budget document; monthly distribution assumes payoff of about $1½ billion Commodity Credit Corporation certificates of interest maturing Aug. 2, 1954, and issuance of $1 billion new certificates in September.

Source: Office of the Secretary of the Treasury, July 20, 1954.

TABLE 3.—*Projected budget expenditures,[1] fiscal year 1955 (estimated)*

[In billions of dollars]

	Defense Department (military)	Mutual military assistance	Commodity Credit Corporation	Interest on public debt	Veterans' Administration	All other	Total
1954—July	3.2	0.4	0.1	0.2	0.3	1.1	5.3
August	3.2	.4	2.0	.2	.3	.9	7.0
September	3.0	.4	−1.0	.7	.4	1.0	4.5
October	3.1	.4	------	.4	.4	1.0	5.3
November	3.1	.3	------	.4	.3	.9	5.0
December	3.4	.4	------	1.2	.4	1.0	6.4
1955—January	3.2	.4	------	.2	.3	.9	5.0
February	2.9	.3	−.3	.4	.3	1.0	4.6
March	3.1	.4	------	.6	.4	1.0	5.5
April	3.2	.3	------	.4	.4	.9	5.2
May	2.9	.3	.4	.3	.3	.9	5.1
June	3.3	.3	------	1.8	.4	.9	6.7
Total	37.6	4.3	1.2	6.8	4.2	11.5	65.6
1954 actual	39.9	3.5	1.5	6.4	4.2	12.1	67.6

[1] Estimates are based on the January 1954 budget document; monthly distribution assumes payoff of about $1½ billion Commodity Credit Corporation certificates of interest maturing Aug. 2, 1954, and issuance of $1 billion new certificates in September.

Source: Office of the Secretary of the Treasury, July 20, 1954.

TABLE 4.—*Projected budget receipts,[1] fiscal year 1955 (estimated)*

[In billions of dollars]

	Individual income tax	Corporation income and excess-profits taxes	Excise taxes	All other (net)	Net budget receipts
1954—July	1.3	0.7	0.8	0.2	3.0
August	2.8	.3	.7	.2	4.0
September	2.7	1.2	.8	.2	4.9
October	1.0	.4	.7	.3	2.4
November	2.7	.4	.7	.3	4.1
December	1.7	1.3	.8	.3	4.1
1955—January	3.1	.6	.7	.5	4.9
February	3.8	.5	.8	.3	5.4
March	1.7	7.1	.8	−.5	9.1
April	3.4	.7	.8	−.5	4.4
May	3.4	.4	.8	.1	4.7
June	2.7	6.7	.8	.3	10.5
Total	30.3	20.3	9.2	1.7	61.5
1954 actual	32.4	21.5	10.0	.7	64.6

[1] Estimates are based on the January 1954 budget document except that they allow for reduced receipts of about $1.2 billion because of the Excise Tax Reduction Act of 1954; monthly distribution gives effect to proposed Apr. 15 filing date for individuals.

Source: Office of the Secretary of the Treasury, July 20, 1954.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. BYRD. I yield.

Mr. LANGER. What does the Senator mean by temporarily increasing the debt? Either we increase the debt or we do not increase it.

Mr. BYRD. It means that by June 30, 1955, the administration will have to pay it back, which it can do with the revenues it will have coming in. That will restore the debt limit.

Mr. LANGER. What is the difference between increasing it this time and raising it the last time? We did not make a temporary increase the last time.

Mr. BYRD. Of course, we have had a deficit of $3 billion since the last time we increased it. The Government is $3 billion worse off than it was a year ago.

Furthermore, 4 years ago we adopted a plan whereby we gradually collected the revenues from corporations in the first 6 months of the year, instead of having them collected in regular quarterly payments. Now we are collecting $17 billion more in the first 6 months than we are collecting in the last 6 months. The expenditures are nearly on an equal monthly basis. That situation will create a dip for about 4 months, which I explained, in the month beginning December 15, and ending March 15, whereby there would not be sufficient funds in the Treasury to pay the bills due in that period of time. When the funds come in later, we shall end this fiscal year with a balance of $6 billion, without any increase whatever in the public debt.

Mr. LANGER. On July 1, would the debt limit be $275 billion?

Mr. BYRD. Yes; unless Congress should take further action it would be $275 billion. The Treasury does not question the fact that it will have sufficient funds on hand at that time to pay the additional $6 billion, because, according to its own statement, it will have $6 billion on hand without any increase whatsoever in the debt.

Mr. BUSH. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BUSH. Mr. President, I have heard the distinguished Senator from Virginia many times in the past 25 years in connection with this and related matters, and during those years I have read his statements on these very important subjects. I do not believe I have ever heard him make such an incisive, conclusive argument on the subject of Federal fiscal affairs as he has made to the Senate this afternoon. I wish it could be printed in every newspaper in the United States and be placed in every school in some form. Certainly it should be made available so that the American people could read the fundamentals which he has so clearly and forcefully outlined for the benefit of the Senate and for the benefit of the country. In his argument he has come to grips with one of the most important and difficult subjects that can arrest the attention of the Congress of the United States. He has done it in such a manner as literally to outdo himself. I wish to congratulate the Senator from Virginia heartily upon his remarkable, clear, and incisive analysis of the situation.

Also, Mr. President, I am one Senator, among many I am sure, who is grateful to the distinguished and able chairman of the Finance Committee, and to the Finance Committee itself, for bringing before the Senate a solution to the problem which we can accept with perhaps some grace. It is a very, very difficult problem.

I am completely in accord with the Senator from Virginia in hoping that when we get to this point next year, we will have so recaptured control of our

spending that we will not have to deal with a similar situation then or at anytime while I am in the Senate of the United States.

I also agree with what he said about the Secretary of the Treasury, the Honorable George Humphrey. As I have said heretofore in the Senate, I believe that probably no other man in the United States is better qualified to deal with these problems than is the Honorable George Humphrey. He has been confronted with a most difficult situation. He does not like to recommend an increase in the debt limit. He has had to do so because of the actions of the Congress of the United States.

Again I congratulate the able Senator from Virginia. I think he made a remarkably fine presentation, and I am very glad I was in the Chamber to hear it.

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. DANIEL. I wish also to congratulate the Senator from Virginia. I have followed him throughout the years. In offering myself as a candidate for the office of Senator, one pledge I made was that, short of total war, I would not vote to increase the total national debt nor would I vote to raise the debt ceiling. I do not believe I can vote for even this temporary increase, but the Senator from Virginia is certainly entitled to the praise and congratulations of the Senate for having worked out this plan for a temporary increase. Otherwise, I fear that we would be faced on the floor this afternoon with a sizable permanent increase in our national debt limit. I appreciate the work the Senator has done. I join with him in his remarks and his hope that we will start trimming our spending or at least fitting it to our income, as so many other countries of the world are doing.

I heard the figures of the national debt of the other nations stated by the Senator. I believe the last figures I saw of the national debts of all the other nations of the world show that we owe more money than all the other nations of the world combined. Is that correct?

My BYRD. That may be true. I have the figures for the 12 nations of Europe, and we owe more than 2½ times as much as those 12 nations of Europe.

Mr. LENNON. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LENNON. I am sure the people of America were grateful to the distinguished senior Senator from Virginia [Mr. BYRD] and to the full Finance Committee when last summer they successfully resisted the pressure of the Secretary of the Treasury and the Director of the Budget in their efforts to increase the national debt limit from $275 billion to $290 billion. I believe every Member of the Senate today, as well as the people of American generally, share the view expressed by the distinguished senior Senator from Virginia to the effect that if we had raised the national debt limit to $290 billion last summer, very likely we would now be called upon to raise it again.

Like so many of my colleagues, I subscribe to the position that the departments, agencies, and bureaus of the Government will have come before the Congress next January with a longer and keener sight if they have any idea that Congress will increase their appropriations.

I want the Senate and the people of America to know that I am disappointed that it is necessary for the Committee on Finance to come to this necessary conclusion.

In the light of the fact that the Secretary of the Treasury and the Director of the Budget represented to the committee last summer that it was absolutely essential that the debt limit be raised from $275 billion to $290 billion, and that failure to do so would make it impossible for the Government to meet its current obligations, I wonder if now we are not faced with the same situation. I ask the distinguished Senator from Virginia this question: If the representation was made last summer that if the national debt limit were not increased by $15 billion we could not meet our current obligations, is it not likely that again a representation is being made to us to the effect that we shall not be able to meet our current obligations unless we raise the national-debt limit on a temporary basis by $6 billion?

Mr. BYRD. The situation is different in at least three respects. In the first place, we are $3 billion worse off than we were a year ago, because we have a $3 billion deficit in the year that ended last June 30. Therefore, our balance is $3 billion less than it was last year.

Secondly, under the so-called Mills plan corporate taxes in the July–December half of the year will be less again this year. And in the third place tax rates have been reduced.

Mr. LENNON. I am satisfied with the explanation of the distinguished Senator from Virginia. Considering his great knowledge of the fiscal affairs of the Nation, which I think exceeds that of many persons connected with Government today, if he is satisfied that we cannot escape raising the national-debt limit even on a temporary basis, I feel compelled to go along and vote with the senior Senator from Virginia.

Mr. BYRD. I think it is a close question. It is possible that Government agencies could effect further economies, thereby making the proposed increase in the debt limit unnecessary. Last August, in his appearance before our committee, as members of the Finance Committee know, Mr. Humphrey said that if he could not pay his bills there would be a panic. The result was that we did not increase the debt, and expenses were reduced by $6 billion, as compared with the previous year.

Now it is estimated that on January 15 the borrowing authority and the cash balance will be exhausted with a deficiency of $2 billion still remaining. Under these circumstances I felt we could not take such a risk. It would be a very unfortunate thing if at any time this country could not pay its current bills.

This is the first time in the history of the country that the statutory debt limit has been raised temporarily and it is with the understanding that economies must be achieved in the next year. Next year, under the new tax bill, the so-called Mills plan will be reversed. Corporations will be compelled to estimate their earnings in advance and beginning in September 1955 they will begin paying taxes on the estimate. Gradually the inequality of corporate tax collections will be wiped out. Senators can see from this statement I have presented where the inequality exists, assuming the statement is correct. There is a $2 billion deficiency on January 15. Yet on June 30 there is $6 billion in borrowing authority and cash on hand. This shows the inequality with which the revenue comes into the Treasury. Revenue comes in at an unequal monthly rate, but expenditures are on practically an equal monthly rate basis.

It is for that reason that the Senator from Virginia very reluctantly reached the conclusion that to be safe we had better grant this temporary increase, with the understanding that we expect the Treasury, the administration, and all the departments to reduce expenses sufficiently to make it unnecessary to renew this temporary increase in the debt limit.

Expenses were reduced $6 billion in fiscal 1954 as compared with fiscal 1953. I am speaking of actual expenditures. In my comparisons I have gotten away from talking about estimates because they do not mean anything. The administration reduced actual expenditures in 1954, compared with 1953, by $6 billion, and I compliment them for so doing. They can reduce expenditures another $6 billion in the coming year if they have so, but they cannot do it all at once.

I think this action should cause the administration to understand that Congress expects it not to ask for a renewal of this $6 billion. If it should be requested, I think the request ought to be very carefully scrutinized and not granted unless we are compelled to do so.

Mr. LENNON. I thank the senior Senator from Virginia, and I express the hope that the resolution which was introduced by the Senator from Virginia and the senior Senator from New Hampshire, which sets a balanced budget as a goal, will claim the attention of the Senate next year.

Mr. MARTIN. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Pennsylvania.

Mr. MARTIN. Mr. President, I think the Senate is most appreciative of the very clear statements made by the distinguished chairman of the Finance Committee [Mr. MILLIKIN], and the very distinguished senior Senator from Virginia [Mr. BYRD].

I am most reluctant to vote to raise the debt ceiling, but I think the plan which has been evolved is a sound one, and should be adopted by the Senate. However, I should like to impress upon the Members of the Senate the fact that

unless we cut appropriations for the next fiscal year, or increase taxes, it will be necessary at this time next year to increase the debt ceiling. I think it is a responsibility of the American Congress. We should see that the budget is balanced, and there is no way to do that except by cutting expenditures or increasing taxes.

I have no questions to ask of the distinguished Senator, for I think the two statements which have been made are very clear. I desire to conclude by expressing the view that the people of the United States are most fortunate to have on the Senate Finance Committee men of the ability and the courage of the junior Senator from Colorado [Mr. MILLIKIN], the senior Senator from Georgia [Mr. GEORGE], and the senior Senator from Virginia [Mr. BYRD].

Mr. GEORGE. Mr. President, I, too, hope that this is only a temporary increase in the debt limit, but I do not think we can be too optimistic about it. The Secretary of the Treasury, I believe, stated as the basic recommendation to the committee that he could get along with an increase in the limit of $5 billion and an additional $5 billion on a temporary basis. That is $5 billion as a permanent increase, making the debt limit $280 billion, with a temporary increase of $5 billion to be liquidated at the end of this fiscal year, or at the beginning of another fiscal year.

We must not forget, Mr. President, that even if the Congress cuts down appropriations, the capacity to spend is still present and the ability to spend is still present if, through taxation or borrowing, the money can be obtained to spend. That is true because of the enormous carryover of unexpended balances.

The unexpended balances are now $60 billion. I thought they were a little above $60 billion, and the distinguished Senator from Virginia has stated they are about $60 billion. That is an enormous carryover, and, even if Congress did not appropriate any money next year for any purpose, and we could reapportion the $60 billion already authorized, and already appropriated but not actually in hand, we would spend our total income in that year. That is because our income is not going to be so great as it was in the last fiscal year. That is something I wanted to emphasize at this time. The Government's income is already down. As a matter of fact, some of the large and powerful corporations of the country have shown enormous profits, but corporations as a whole are showing some $2 billion less profits up to this time, taxwise. That is a minus $2 billion when they are grouped altogether.

I have great respect for the Secretary of the Treasury and I have great confidence in his judgment. The Secretary of the Treasury was of the opinion that by the end of this fiscal year, the down trend in corporate earnings would not indicate so great a Treasury loss, but would probably be increased by $1 billion, or perhaps $1½ billion. However, at the present time total corporate earnings show a loss as compared with earnings on which corporations paid taxes last year.

Another thing must be borne in mind. Under the changes recently made by Congress in our tax laws the corporate rate will drop next April 1 from 52 percent to 47 percent. That of itself represents a considerable loss to the Treasury. From my own experience in handling tax matters, I would say that it is going to be very difficult to avoid further reductions in many of the excise taxes during the next year. The problem will be to avoid by tax reductions a further loss of revenue and likewise to continue the high corporate rate of 52 percent beyond next April. Unless that rate is continued, or some additional taxes are levied to make up for the Treasury loss of about $2 billion, we have a very much reduced chance of retiring or reducing this temporary increase in the debt limit by paying off the $6 billion, or so much of it as may be borrowed, at the end of the current fiscal year.

I merely point out those two facts. Regardless of how deeply we cut appropriations, the unexpended balances afford a ready opportunity for the expenditure of money, and it is necessary to look to what the Government is taking in and what it is spending. If the spending is not cut further, we will be called on, I am sure, at the end of this fiscal year, to increase the debt limit again.

I do not think, however, we can blink at the fact that we must maintain the credit of the United States. While we most regretfully must increase the debt limit, at the same time we have only two options. One option is to do so, and the other is to levy new taxes which will bring in new revenue, and this is not a very good time to levy new taxes on the American people.

With all the reductions which have been made, tax rates are still very high. I think the Secretary of the Treasury was correct when he said that, in his judgment, over a long period of time the American people could not continue to pay the present high Federal taxes, plus all the other taxes which they must pay, without hurting business. But we must reduce expenditures as much as we possibly can. We would be very sensible and very well advised to cut appropriations more deeply than we have cut them even during the past 18 months. If those things are not done, and if the revenue which comes in from taxes is not maintained at its present level, and next April reductions are not made as contemplated in existing law, or, if made, and new taxes are not found to take up that loss, we shall unquestionably be faced with a request for an increase in the debt limit again next year.

We must maintain the credit of the United States. I do not feel that the Secretary's recommendation of a $5 billion permanent increase with a $5 billion temporary increase on the basis of 5 and 1, as is now recommended, would have been too far out of line. But I have a strong feeling that the Treasury will be able to get through this year in a fairly comfortable position throughout the year. Therefore, I think there is nothing we can do except to vote for this increase.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "An act to provide for a temporary increase in the public debt limit."

SOCIAL SECURITY AMENDMENTS OF 1954

The Senate resumed the consideration of the bill (H. R. 9366) to amend the Social Security Act and the Internal Revenue Code, so as to extend coverage under the old age and survivors insurance program, increase the benefits payable thereunder, preserve the insurance rights of disabled individuals, and increase the amount of earnings permitted without loss of benefits, and for other purposes.

Mr. MILLIKIN obtained the floor.

Mr. MARTIN. Mr. President, will the Senator from Colorado yield for a unanimous-consent request?

Mr. MILLIKIN. I yield.

RECLASSIFICATION OF DICTOPHONES IN THE TARIFF ACT OF 1930—MOTION FOR RECONSIDERATION

Mr. MARTIN. Mr. President, I ask unanimous consent to return to Calendar No. 2001, House bill 8932, to reclassify dictophones in the Tariff Act of 1930. This bill was passed on the call of the calendar a day or two ago.

Mr. HUMPHREY. Mr. President, reserving the right to object, as I understand the request of the Senator from Pennsylvania, it is with reference to my motion to call back from the House H. R. 8932; is that correct?

Mr. MARTIN. That is correct.

Mr. HUMPHREY. As of last night I requested that the Senate seek the return of the bill which had been before the Senate. I have no objection to the request of the Senator from Pennsylvania. We have discussed the matter, and I would appreciate it if the Senator would explain what we have agreed to and what seems to be a clarification of the purpose of the bill.

Mr. MARTIN. Mr. President, this proposed legislation was intended originally and is now intended to cover only the granite imported for the Iwo Jima statue, paid for by contributions from Marine veterans.

The only reason the language did not specifically mention the Iwo Jima monument was the objection from Government Departments to specific legislation for particular projects or industries. They said it was a bad precedent and difficult to administer and it was at their suggestion that we drafted the bill in a

past accomplishments, as well as the comfort of knowing that there go with you the best wishes of all of us. I know that you will be eminently successful in your new career, or perhaps I should say in the continuation of your career in another field.

Sincerely yours,

GUY FARMER,
Chairman.

Mr. MORSE. Mr. President, I close my comments on that item by saying that the country has been well served by Miss Klaus. She has resigned in order to accept a position of solicitor of the Labor Relations Board of New York City. I want to wish her well and congratulate her in the honor represented by her new appointment.

I now wish to proceed to the third item.

The PRESIDING OFFICER. The Senator from Oregon has the floor.

INCREASING THE DEBT LIMIT

Mr. MORSE. Mr. President, the last item I wish to mention for the RECORD and for the attention of my constituents, because I have had a great deal of correspondence with them during the year on this point, is in connection with the increase in national debt limit today. I did not think much of the argument for increasing the national debt limit. I thought it most unconvincing. Yet again we were confronted with the reality of accomplishment. I am glad it was presented to us, and that those who proposed it insisted—they not only insisted, but they assured us—it was on a temporary basis only, and that unless it was accepted by the House on a temporary basis, there would be no increase at all.

However, there is one point in this whole debate that I think needs to be answered, and it was very effectively answered in a column recently written by Andrew Tully, under the heading "The Administration Is Indebted to a Gimmick," which was published in the Washington Daily News of Monday, August 9, 1954. Mr. Tully pointed out that the Eisenhower debt is really greater than it was reported to be by the Eisenhower administration because of a bookkeeping gimmick that the Eisenhower administration has adopted that was not a bookkeeping practice under the Roosevelt and the Truman administrations. To buttress the observation I have just made, I should now like to read the article:

In all this hassle about increasing the debt limit, don't try to get any consolation out of Government figures which appear to show the public debt as being less than it was under Presidents Roosevelt and Truman.

Actually, figured on the same basis as in previous administrations, the public debt is the highest in the Nation's history.

The reason is a bookkeeping gimmick—perfectly logical and legitimate—adopted by the Eisenhower administration to show the amount owed by the Government to people that have savings bonds.

The Eisenhower boys enter on the books only the current value of these savings bonds, whereas in the past the debt was figured on the basis of the bonds' maturity value. In other words, nowadays, if you've just bought a $100 war bond for $75, the Government figures it owes you only $75 instead of $100, since it would have to pay you only $75 if you cashed it today.

In previous administrations, the moment you bought a $75 bond, the Government acknowledged it owed you $100.

Thus, the so-called peak debt year of 1946 wasn't the peak at all. The debt then was $279 billion, which is $5 billion higher than the present debt of $274 billion. But the 1946 figure included approximately $10 billion in interest which the Government figured it owed—or would owe—on savings bonds. Figured on the basis the Eisenhower administration uses, the public debt in 1946 was only $269 billion, or $5 billion less than the current debt.

Or, if you figured the Eisenhower public debt as they figured it in previous administrations, it would amount to $286 billion because the interest to be due on savings bonds has increased to $12 billion.

The public debt, incidentally, has increased $18 billion since Harry Truman left the White House. It was $266 billion then, but again you have to lop off $10 billion in savings bond interest in order to compare it fairly with the current debt. Lowest postwar debt was in 1949, when the debt was $252 billion or $242 billion if figured according to the Eisenhower system.

All these figures come from Edwin L. Kirby, Commission of the Public Debt. Mr. Kirby sighs wistfully when he reminds you that there has only been 1 year in which the United States had no public debt.

That was in 1836 and the reason was a combination of a prosperity wave and a President named Andrew Jackson, who slashed Government expenditures with a meat cleaver. That was the year, incidentally, when the United States paid off the last installment of its $40 million Revolutionary War debt.

Although Americans are accustomed to thinking of themselves as creditors to the rest of the world, part of our public debt is owed to foreigners. The total is $6 billion, mostly held by banks and public institutions in Europe. Germany heads the list of creditors with $675 million in United States I O U's.

That bears out an observation I have made many times during the last few months on the floor of the Senate, Mr. President. I close my remarks with that tonight. It is a far cry from Mr. Eisenhower's campaign pledges as to what he was going to do about balancing the budget and what he was going to do about the national debt.

I say in all fairness and with frankness that in my judgment there were a great many savings the President could have brought about that he has not brought about, and the fact is we are deeper in the red today under President Eisenhower than we were when Harry Truman left the White House.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. KNOWLAND. Of course, I cannot let the statement of the Senator from Oregon pass. The record will speak for itself. At a later date the facts will be presented.

The fact of the matter is that there have been substantial reductions in the budget items under this administration, compared with those of prior administrations, but I do not believe that 11:15 at night is the time to begin a protracted argument in this regard.

I yield to the Senator from Louisiana.

LEGISLATIVE PROGRAM

Mr. ELLENDER. Mr. President, a few minutes ago the distinguished majority leader stated a list of bills he proposed to call up before the Senate adjourns. I am wondering if the majority leader will tell us about Calendar No. 2026 (H. R. 9859) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

Mr. KNOWLAND. I will say to the distinguished Senator from Louisiana that the bill he mentions is one of a number of bills as to which there has been a considerable amount of interest expressed. The Senator from Texas [Mr. JOHNSON] mentioned one bill, and other Senators have mentioned other bills, both publicly on the floor and privately. The bill the Senator from Louisiana refers to is one which will be considered by the policy committee tomorrow.

There are a number of bills which have not yet been cleared for floor action, but which have been mentioned by individual Senators. Again, I do not mean the list to be all inclusive, but there are to be considered Calendar No. 2297, H. R. 8898, to amend the Civil Aeronautics Act; Calendar No. 2000, Senate bill 1555, the Colorado River bill; Calendar No. 1315, Senate bill 2910, a bill providing for the creation of certain United States judgeships; Calendar No. 1794, Senate bill 880, dealing with the District of Columbia taxi situation; Calendar No. 1830, H. R. 3300, dealing with the control of the lake level of Lake Michigan; Calendar No. 2357, House Joint Resolution 565, dealing with the Pan American Institute of Geography and History; Calendar No. 2499, H. R. 9756, relative to the borrowing power of the Commodity Credit Corporation; and Calendar No. 2030, H. R. 6573, the Reserve officers bill.

That list merely delineates some of the problems faced by the policy committee. Again I say that is not the entire list of bills about which either the majority leader, the minority leader, or Members on both sides of the aisle have been importuned with regard to enactment. There is, I am sure all Senators will agree, a limit to what can be done in the period of time remaining.

Mr. ELLENDER. I presume the majority leader would recommend that this bill, H. R. 9859, be taken up this session?

Mr. KNOWLAND. Yes; I believe the public works bill is entitled to high priority consideration.

Mr. ELLENDER. I thank the Senator from California.

IRAN AND OIL IMPORTS—NEED FOR A PROPER BALANCE BETWEEN IMPORTS AND DOMESTIC PRODUCTION

Mr. DANIEL. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Texas.

Mr. DANIEL. Mr. President, Americans rejoiced a few days ago to learn that the bitter British-Iranian oil dis-

pute had been settled and that this valuable natural resource will be available to the Western World rather than to Soviet Russia.

The community of free nations stands to gain from this settlement. The western nations will have access to the oil, and revival of the industry will add greatly to the stability of the whole Middle East.

All of this will be true, Mr. President, only if Iranian and other Middle East oil producers use discretion, judgment, and statesmanship in determining the amount of oil which they will export to western oil-producing nations.

Even now oil imports to the United States are too high. They have reached the point of supplanting rather than supplementing domestic production.

A better balance between the two must be established if we are to prevent great losses and eventual destruction of our domestic petroleum industry.

Let me make it clear, Mr. President—I realize that we must keep Middle East oil from going to Russia. We must receive some imports to supplement domestic production. However, it is equally important that we preserve and protect our domestic oil industry. It will serve no useful end for America to save the economy and oil industry of the Middle East if it is done in a manner that would destroy the economy and national defense potentialities of the United States.

Other Middle East countries must reduce their total output of oil proportionately so as to absorb the Iranian production when it is resumed. The total imports from the Middle East must be kept within present figures, or reduced, if we are to prevent destruction of the domestic oil-producing industry.

DANGERS OF EXCESSIVE IMPORTS

Mr. President, we have reduced domestic production to the breaking point. In Texas our conservation commission—the Texas Railroad Commission—has found it necessary to cut production of Texas wells to 15 days per month. This situation is not confined to Texas. While we have made the largest reductions in output, other States and producers have been similarly affected.

Excessive imports constitute a threat to the economic health and security of the entire Nation. Accessible oil at home is vital to our defense. Foreign supplies are not reliable if war should come.

Some have argued that we should use the Middle East oil now and save our own for the future. That would be excellent if we knew where all the oil in this country is located and if our domestic industry and its millions of employees could go without their livelihood for several years on end. Neither of these conditions is possible. All of the oil in this country has not been discovered. The search for new reserves must continue, and it can and will continue only if there is a healthy and profitable industry. The search for new oilfields is being retarded even now by necessary reduction of production.

INDEPENDENTS SUFFER MOST

A man will not risk a million dollars wildcatting for new oilfields if he cannot expect to produce at a rate necessary to return the cost of his investment. Giant corporations may be able to wait but not the independent producers, who are the lifeblood of a healthy oil industry.

Five major American oil companies will share in the new eight-company monopoly established by the settlement with Iran. These companies have other holdings in the Middle East. They can survive the blight of excessive imports, but not so with the independent producers whose income is confined to domestic production. Their problem was recently explained in an editorial in the August 6, 1954, edition of the Abilene Reporter-News, of Abilene, Tex. I ask unanimous consent that the editorial be inserted at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

OIL IMPORT PROBLEM

The bothersome and dangerous Iranian oil situation was near to settlement Thursday as representatives of 8 big Western oil companies and the Iranian Government announced an agreement to start up that country's paralyzed oil industry within 2 months, after the long shutdown resulting from the dispute between British oil interests and the Iranian Government.

The great Abadan refinery and the surrounding oil fields will be operated by a consortium of the 8 companies. The contract runs for 25 years, with the privilege of 3 5-year renewals.

Four of the eight operating companies are American—Standard of New Jersey, Standard of California, the Texas Company and Socony Vacuum.

While this is good news to the Western world because it removes the threat of Communist conquest of Iran and its great oil riches, it carries implications of trouble for our own oil producers. It means Iranian oil will once more flow into world commerce, and as it finds markets here and there it will tend to flood the United States with oil imports particularly from South America.

Heavy imports to this country have already pinched our independent producers, forcing cutbacks of production particularly in Texas. The blow falls heaviest on the independents because the majors are both producers and importers.

Although the independents have steered away from handling the problem by higher tariffs, in the interest of world trade as a definite part of building dikes against communism, the Independent Petroleum Association of America, headquarters in Tulsa, recently proposed a reciprocal trade policy for United States oil imports.

Basically, this plan would apply to each country exporting oil to the United States a volume of oil related to the amount of United States goods it imports. Since this preserves the very spirit of reciprocal trade agreements, it offers a persuasive and sensible solution to a problem that, unless remedied, may work untold financial injury and perhaps ruin upon the independent oil producers of Texas and other States.

Mr. DANIEL. Due credit should be given to the American oil companies operating in the Middle East for the extent to which they have reduced imports by practicing industrial statesmanship. I referred to this in a speech in the Senate on June 24—CONGRESSIONAL RECORD, pages 8395 to 8396. However, they must do more. Only additional voluntary reductions by importers of foreign oil will solve this problem without legislation. I hope that we can avoid legislation, but, as stated in the speech referred to, I shall advocate action by the Congress if this problem is not solved by the industry itself.

Gen. Ernest O. Thompson, chairman of the Texas Railroad Commission, is recognized as one of the world's leading authorities, if not the leading authority, on oil conservation and production. On August 4, 1954, General Thompson released a statement concerning the Iranian oil settlement and the danger of increased imports. I ask unanimous consent that General Thompson's statement be inserted at this point:

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY GEN. ERNEST O. THOMPSON, CHAIRMAN, TEXAS RAILROAD COMMISSION

We are glad Iran has been saved for service with the free world and not lost to Russian domination. Iran was in a critical position. It is to be hoped that as Iran oil production is resumed that those other oil-producing countries around the Persian Gulf will reduce their output proportionally so as to avoid further flooding of the world markets with oil and causing wasteful storage.

In 1950, when Iran closed down production of 650,000 barrels daily, these neighboring Persian Gulf countries upped their production. Kuwait was producing 350,000 barrels daily in 1950, now produces 930,000 barrels daily. Iraq was producing 136,000 barrels daily in 1950, now 600,000 barrels daily. Saudi Arabia has increased to 955,000 barrels daily now, which is 60 percent greater than in 1950.

It would seem only fair that as Iranian oil moves back into the picture those companies operating around the Persian Gulf should reduce in the proportion that they moved into the void in 1950 and later years.

These wells in the Persian Gulf area average 6,000 barrels of oil each per day.

They are no deeper on the average than Texas oil wells.

Texas oil wells average 19 barrels per well per day.

Imported oil and products are supplanting our domestic oil here and abroad. Our oil imports increase constantly, while our oil exports dwindle.

Due to oversupply, Texas oil wells are allowed to operate only 15 days this month of August 1954.

There are 150,000 producing oil wells in Texas today.

It would not seem fair to our own people to permit more oil imports.

Mr. DANIEL. On the day before the above statement was issued, General Thompson wrote me a letter replying to certain questions posed on behalf of myself and my colleague [Mr. JOHNSON of Texas] concerning the crude-oil import situation. I ask unanimous consent that General Thompson's letter and three enclosures be inserted at this point in the RECORD:

There being no objection, the letter and enclosures were ordered to be printed in the RECORD, as follows:

RAILROAD COMMISSION OF TEXAS,
Austin, August 3, 1954.

Senator PRICE DANIEL,
United States Senator from Texas, Senate Office Building, Washington, D. C.

DEAR PRICE: In reply to your questions about the crude oil import situation, I am happy to give such answer as I can.

Attached hereto is a page from the Oil Daily of July 30, which shows oil imports for

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authorizing the transfer of personnel and appropriations to defense activities of various departments and agencies pursuant to law, regarding rental of Government-owned living quarters. Contains language, similar to that in previous years, prohibiting the use of funds of corporations for purchase of construction of office buildings, and authorizing the use of appropriated funds to purchase foreign credits owed to or owned by the U. S.

3. PERSONNEL. Received the conference report on H. R. 2263, the so-called fringe-benefits bill (H. Rept. 2665)(pp. 13893-901). The text of the bill, as agreed to by the conferees, is printed in the Record.

4. ATOMIC ENERGY. Received the revised conference report on H. R. 9757, to make various changes in the Atomic Energy Act (H. Rept. 2666)(pp. 13873-88). The revised bill is printed in the Record.

5. VEHICLES; FURNITURE. Concurred in the Senate amendments to H. R. 8753, to authorize GSA to establish and operate motor vehicle pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct GSA to report the unauthorized use of Government motor vehicles, and to authorize CSC to regulate operators of Government-owned motor vehicles (p. 13824). This bill will now be sent to the President.

6. DEBT LIMIT. By a division vote of 193 to 31, concurred in the Senate amendment to H. R. 6672, increasing the debt limit of the Government. The amendment provides for a temporary increase of $6 billion until June 30, 1955. (pp. 13824-8). This bill will now be sent to the President.

7. CUSTOMS SIMPLIFICATION. Concurred in the Senate amendments to H. R. 10009, to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, and to repeal or amend obsolete provisions of the customs laws (pp. 13822-4). This bill will now be sent to the President.

8. FOREIGN AID; SURPLUS COMMODITIES. House conferees were appointed on H. R. 9924, to provide for family housing for military personnel and their dependents, to authorize the Secretary of Defense to procure such housing for military personnel in foreign countries through the use of foreign currencies obtained through sale of surplus agricultural commodities, and to make Defense Department appropriations available to reimburse CCC in an amount equivalent to the dollar value of the currencies used (p. 13829). Senate conferees have not yet been appointed.

9. SOCIAL SECURITY; FARM LABOR. House conferees were appointed on H. R. 9366, the social security bill, which includes a provision extending social security retirement coverage to approximately 2.6 million additional farm workers (p. 13820). Senate conferees have been appointed.

10. FOREIGN-AID APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 10051 (p. 13821). Senate conferees have been appointed.

11. EDUCATION. Passed without amendment S. 3629, to amend Public Law 874, 81st Cong., so as to postpone the effective date of the 3 percent "absorption" requirement of school districts in areas affected by Federal activities for 1 additional year (through June 30, 1955). This bill will now be sent to the President.

Passed with amendment S. 3268, to amend Public Law 815, 81st Cong., so as to extend for 3 additional years the program of Federal assistance for school construction under title III thereof (p. 13857).

12. PERSONNEL; RETIREMENT. Passed with amendment S. 3627, to amend the Civil Service Retirement Act so as to tighten up several "loopholes" (pp. 13828-9).

13. FARM LABOR. The Judiciary Committee reported without amendment S. 2862, to provide relief for the sheep-raising industry by making special nonquota immigration visas available to certain skilled alien sheepherders (H. Rept. 2662) (p. 13902).

14. INVESTIGATIONS; PERSONNEL. Passed with amendments S. 2308, to give the Attorney General concurrent jurisdiction over investigation of violations of title 18 of the U. S. Code (regarding crimes) by Government officers and employees, except for members of the armed forces and the Post Office Department (pp. 13859-60).

15. CONVENING OF CONGRESS. Passed without amendment H. J. Res. 585, to provide that the 84th Congress shall convene at noon on Wed., Jan. 5, 1955 (p. 13858).

SENATE

16. FARM LOANS. Concurred in the House amendment to S. 3245, to authorize the Secretary to use $15,000,000 of the Disaster Loan Revolving Fund for emergency loans to farmers and stockmen until June 30, 1955 (p. 13942). This bill will now be sent to the President.

17. RECLAMATION. Discussed and passed over, upon the objection of Sen. Smathers, H. R. 5301, to authorize the Interior Department to make loans to privately owned reclamation projects (pp. 13926-7).

Discussed and passed over, upon the objection of Sen. Smathers, H. R. 9981, to provide for construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (p. 13928).

Sen. Watkins stated "there is an extreme need for facts to clarify much of the confusion which has resulted from misinformation spread about the upper Colo. River project" and inserted George D. Clyde's (commissioner of interstate streams for Utah) article which discussed the issues (pp. 13909-10).

18. ATOMIC ENERGY. Agreed, 59 to 17, to the revised conference report on H. R. 9757, the atomic energy bill (pp. 13982-5).

19. PERSONNEL. Passed without amendment H. R. 5718, to limit to 6 years the period for collection by the Government of compensation received by officers and employees in violation of the dual compensation laws (p. 13928). This bill will now be sent to the President.

20. TAXATION. Sen. Ferguson inserted the President's statement made upon the signing of H. R. 8300, the general tax revision bill (pp. 13937-42).

21. SOIL CONSERVATION. Sen. Watkins inserted a newspaper editorial and stated that the "role that can be played by the Federal Government in cooperating in watershed improvement program under the Hope-Aiken measure is adequately shown" in this editorial (pp. 13910-1).

of duty or exemption from duty" and insert "for tariff purposes."

Page 2, line 3, strike out "certain" and insert "related."

Page 2, line 11, strike out "Established" and insert "Establish."

Page 2, line 20, strike out all after "classifications" over to and including "calculated" in line 25 on page 4.

Page 4, after line 25, insert:

"(b) The Commission shall seek to accomplish the purposes of subsection (a) without suggesting changes in any rate or rates of duty on individual products, whether those rates are applied by statute or by Presidential proclamation. Where, however, in the judgment of the Commission, the purposes of subsection (a) cannot be accomplished without such changes, the Commission shall specify each incidental change in rates which in its judgment would accomplish such purposes, and shall accompany it with a summary of all the data on which such suggested change was based, together with a statement of the probable effect of such suggested change on any industry in the United States. Before suggesting any changes in rates of duty, the Commission shall give public notice of its intention to do so and shall afford reasonable opportunity for parties interested to be present, to produce evidence, and to be heard at public hearings with respect to the probable effect of such suggested changes on any industry in the United States."

Page 5, line 1, strike out "(d)" and insert: (c)

Page 5, line 3, after "data", insert "and statements."

Page 5, line 7, strike out "(e)" and insert "(d)."

Page 5, after line 16, insert:

"(e) The Commission may invoke all the powers granted to it under part II, title III, of the Tariff Act of 1930, as amended, and is authorized to make reasonable rules and regulations, for the purpose of carrying out its functions under this title."

Page 5, after line 16, insert:

"(f) The Commission may procure temporary and intermittent services in accordance with section 15 of the act of August 2, 1946 (5 U. S. C., sec. 55a), but at rates not to exceed $75 per diem for individuals. The Commission may reimburse employees, experts, and consultants for travel, subsistence, and other necessary expenses incurred by them in the performance of their official duties, and make reasonable advances to such persons for such purposes. Service by a person pursuant to the first sentence of this subsection shall not be considered as service or employment bringing such person within the provisions of section 281, 283, 284, or 1914 of title 18 of the United States Code, or section 512 of the Mutual Security Act of 1954, or section 190 of the Revised Statutes (5 U. S. C., sec. 99)."

Page 5, line 17, strike out "(f)" and insert "(g)."

Page 5, line 21, strike out "tariff classification of."

Page 5, line 22, after "articles", insert "—American goods returned."

Page 6, after line 20, insert:

"CERTAIN METAL ARTICLES RETURNED TO UNITED STATES

"SEC. 202. Paragraph 1615 (g) of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1201, par. 1615 (g)), is further amended to read as follows:

"'(g) (1) Any article exported from the United States for repairs or alterations may be returned upon the payment of a duty upon the value of the repairs or alterations at the rate or rates which would apply to the article itself in its repaired or altered condition if not within the purview of this subparagraph (g).

"'(2) If—

"'(A) any article of metal (except precious metal) manufactured in the United States or subjected to a process of manufacture in the United States is exported for further processing; and

"'(B) the exported article as processed outside the United States, or the article which results from the processing outside the United States, as the case may be, is returned to the United States for further processing,

then such article may be returned upon the payment of a duty upon the value of such processing outside the United States at the rate or rates which would apply to such article itself if it were not within the purview of this subparagraph (g).

"'(3) This subparagraph (g) shall not apply to any article exported—

"'(A) from bonded warehouse or from continuous customs custody elsewhere than bonded warehouse with remission, abatement, or refund of duty;

"'(B) with benefit of drawback through substitution or otherwise; or

"'(C) for the purpose of complying with any law of the United States or regulation of any Federal agency requiring exportation.

"'(4) For the purposes of this subparagraph (g), the value of repairs, alterations, or processing outside the United States shall be considered to be—

"'(A) the cost to the importer of such repairs, alterations, or processing; or

"'(B) if no charge is made, the value of such repairs, alterations, or processing,

as set out in the invoice and entry papers; except that, if the Secretary of the Treasury concludes that the amount so set out does not represent a reasonable cost or fair value, as the case may be, then the value of the repairs, alterations, or processing shall be determined in accordance with section 402 of this act. No appraisement of the imported article in its repaired, altered, or processed condition shall be required unless necessary to a determination of the rate or rates of duty applicable to such article.'"

Page 7, line 22, after "from", insert "the invoice or other papers or from."

Page 7, line 22, after "him", insert "or to any person to whom authority under this section has been delegated."

Page 7, line 23, strike out "sale" and insert "sales."

Page 8, line 4, strike out "sixty" and insert "one hundred and twenty."

Page 8, line 4, after "been", insert "raised by or."

Page 8, line 5, after "him", insert "or any person to whom authority under this section has been delegated."

Page 8, line 15, strike out "sixty" and insert "one hundred and twenty."

Page 8, line 16, after "was", insert "raised by or."

Page 8, lines 16 and 17, after "Secretary", insert "or any person to whom authority under section 201 has been delegated."

Page 8, line 19, strike out "sale" and insert "sales."

Page 10, line 13, strike out all after "(a)" down to and including "follows" in line 15 and insert "Section 28 (d) of the Revised Organic Act of the Virgin Islands, approved July 22, 1954, is amended to read as follows."

Page 10, line 16, strike out "SEC. 3." and insert "(d)."

Page 10, line 20, strike out "3350" and insert "7652 (b)."

Page 10, line 20, after "Code", insert "of 1954."

Page 11, strike out all after line 2 over to and including line 19 on page 14.

Page 14, line 20, strike out "VI" and insert "V."

Page 14, line 22, strike out "601" and insert "501."

Page 15, line 17, strike out "602" and insert "502."

Page 16, line 2, strike out "Every" and insert "Except as specified in the proviso to section 594 of this act, every."

Page 16, line 17, strike out "603" and insert "503."

Page 17, line 17, strike out "604" and insert "504."

Page 18, line 4, strike out "605" and insert "505."

Page 18, line 17, strike out "606" and insert "506."

Page 18, line 22, strike out "607" and insert "507."

Page 19, line 3, strike out "VII" and insert "VI."

Page 19, line 4, strike out "701" and insert "601."

Amend the title so as to read: "An act to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, and for other purposes."

Mr. COOPER. Mr. Speaker, reserving the right to object, I ask unanimous consent to extend my remarks in the RECORD on this bill immediately following the remarks of the gentleman from New York [Mr. REED].

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point an explanation of the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, H. R. 10009, as passed by this House, directed the Tariff Commission to institute a thorough study of tariff classification problems and to transmit copies of its recommendations for reclassification to the President and to the chairmen of the committees of the Congress which have jurisdiction over tariff matters. The House bill anticipated that these recommendations would include rate changes as the result of reclassification. The Senate amendment directs the Tariff Commission to seek to accomplish the purposes of the study without suggesting changes in rates of duty on individual products, unless, in the judgment of the Commission, the purposes of the study cannot be accomplished without such rate changes. The amendment also provides that, before suggesting any such changes in rate, the Tariff Commission shall give public notice of its intention to do so and shall afford reasonable opportunity for interested parties to be heard. In addition, the Senate amendments provide certain authority for the Tariff Commission, such as the exercise of the subpena power and the right to procure temporary assistance, as is necessary to carry out the study which it is directed to make. These authorizations are the usual ones in such cases.

The Senate amended title II of the House bill to add a provision which will permit manufacturers of any article of metal—except precious metal—processed in the United States to export such articles for further processing and at the time of reimportation to pay duty on the cost of the processing done in the for-

eign country. This provision passed the House unanimously last session.

The Senate also amended title III of the House bill, relating to the imposition of antidumping duties. Under present law, an antidumping duty may be imposed against any importation subject to, and unappraised at the time of, a finding of dumping. In some cases, importations which have not been appraised for a number of years because of difficulties entirely unrelated to the question of dumping are nevertheless subject to the dumping duty. This retroactive feature of the present law would have been corrected by the House bill which provided that duty would be applicable only to unappraised entries which had been entered within 60 days before the question of dumping was first raised by or presented to the Secretary of the Treasury. The Senate amendment provides for the retroactive application of dumping duties for a 120-day period instead of 60 days, as in the House bill.

Finally, the Senate eliminated title V of the House bill which would have repealed certain obsolete, inoperative, and unnecessary statutes and provisions thereof relating to the duties, functions, and operations of certain officers and employees of the customs service.

Mr. COOPER. Mr. Speaker, it will be recalled that the primary purpose of H. R. 10009, as it was passed by the House, was to provide for a study looking toward a simplification of classifications under our Tariff Act. The Senate amended the House bill and while still directing that such a study be made by the Tariff Commission, the Senate amendments eliminate the provisions of the House bill which specified to some extent the methods and standards to be used in the study, as well as some of the results which were to be achieved. The effect of this, the Senate Finance Committee felt, would be to broaden to some extent the study of the Tariff Commission.

Another Senate amendment provided that there should be no change in rates recommended by the Tariff Commission unless such changes are necessary in order to accomplish simplification of tariff classifications. The Senate would also require that no such rate changes shall be recommended until after adequate public hearings are held to determine the possible effects of the rate changes proposed.

Under the House bill retroactivity in antidumping cases was limited to 60 days. The Senate changed this to 120 days.

The Senate also added an amendment which would permit manufacturers of metal articles which are processed in the United States to be exported for further processing abroad without having to pay a duty on the articles when they are reimported, except on the cost of the processing which was done in the foreign country.

The House bill eliminated certain obsolete provisions from the tariff laws. The Senate struck these provisions from the House bill.

I urge that the Senate amendments be agreed to.

The Senate amendment was concurred in, and a motion to reconsider was laid on the table.

FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT OF 1949

Mr. JONAS of North Carolina. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 8753) to amend the Federal Property and Administrative Services Act of 1949, as amended, to authorize the Administrator of General Services to establish and operate motor vehicle pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct the Administrator to report the unauthorized use of Government motor vehicles, and to authorize the United States Civil Service Commission to regulate operators of Government-owned motor vehicles, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 5, line 5, strike out all after "accounting." down to and including line 7.

Page 7, line 8, strike out "to" and insert "by."

Page 7, line 13, preceding "personnel", insert "civilian."

Page 10, line 21, strike out "when" and insert "When."

Page 11, line 14, strike out "and" and insert "or."

Page 11, line 17, after "depot", insert "and any vehicle regularly used by an agency in the performance of investigative, law enforcement, or intelligence duties if the head of such agency determines that exclusive control of such vehicle is essential to the effective performance of such duties."

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The Senate amendments were concurred in, and a motion to reconsider was laid on the table.

INCREASING THE DEBT LIMIT

Mr. REED of New York. Mr. Speaker, I move to suspend the rules and agree to House Resolution 705.

The Clerk read the resolution, as follows:

Resolved, etc., That immediately upon the adoption of this resolution the bill H. R. 6672, with the Senate amendment thereto, be, and the same hereby is, taken from the Speaker's table, to the end that the Senate amendment be, and the same is hereby, agreed to.

The SPEAKER. Is a second demanded?

Mr. COOPER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. REED of New York. Mr. Speaker, H. R. 6672, passed by the House at the last session, would have provided a $15 billion increase in the present statutory debt limit of $275 billion.

The Senate amendments eliminate this permanent increase in the debt limit and substitute a temporary $6 billion increase. The increase so provided will take effect on the date of the enactment of the bill and will terminate on June 30, 1955.

I have been assured that the temporary increase will permit the Federal Government to carry out its fiscal operations this year. We will be able to review the fiscal situation next year to determine the need for further legislation in this area.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. KEATING. That means that if we do unfortunately find, as we approach June of next year, that it is necessary to continue the increased debt limit, the Congress will have to take affirmative action in order to do so at that time?

Mr. REED of New York. That is right.

Mr. KEATING. And the debt limit automatically goes back to the present figure as of June 30, unless we take that affirmative action; is that correct?

Mr. REED of New York. That is correct.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. JENKINS. I will ask the gentleman if it is not true that in these investigations that he has had made, as chairman of the Ways and Means Committee, this matter was taken up with Senator BYRD, and also with the Secretary of the Treasury and other capable persons, and that the conclusion seems to be quite general the proper figure should be six billion.

Mr. REED of New York. That is correct.

Mr. MULTER. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield.

Mr. MULTER. Has the gentleman's committee had any communication during this session from the Secretary of the Treasury on this subject?

Mr. REED of New York. Absolutely, sir; it is well understood that this is satisfactory.

Mr. MULTER. Does the gentleman mean satisfactory to the Department?

Mr. REED of New York. It certainly is; and to the Congress.

Mr. MULTER. Has that communication been made a part of the record of this House, either the CONGRESSIONAL RECORD or in committee hearings?

Mr. REED of New York. I am making it now.

Mr. MULTER. It comes from the Secretary?

Mr. REED of New York. I say I am making it now.

Mr. MULTER. I thank the gentleman.

Mr. PATMAN. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from Texas.

Mr. PATMAN. Suppose the temporary increase of $6 billion goes through, and I assume it will, and next June 30 our national debt is $281 billion. The gentleman said this is a temporary increase. How are you going to reduce it to $275 billion?

Mr. REED of New York. This is a temporary increase which will serve until the collections from the corporations come in.

Mr. PATMAN. It contemplates that if securities are issued and sold aggregating $6 billion in addition to the $275 billion, the present limit, they will remain out and intact, and there will be no effort to reduce them to $275 billion next June 30?

Mr. REED of New York. We plan to get down to at least $275 billion by the end of the fiscal year.

Mr. PATMAN. How will you do that if these are sold as securities? That is the point that is confusing me. How will they do that?

Mr. REED of New York. They would have to redeem them. What is more, the tax revenues will be sufficient by the close of this fiscal year under present estimates.

Mr. PATMAN. Suppose they are not sufficient?

Mr. REED of New York. We are not assuming that. We are assuming that they will be sufficient.

Mr. PATMAN. There will be no way to force them down if they are out and you do not have the money to pay for them.

Mr. REED of New York. I say we will have the money.

Mr. Speaker, last session the administration requested and the House approved, a permanent $15 billion increase in the national debt ceiling. Since that time the administration has been making every effort to reduce our expenditures to the extent consistent with the demands of our national defense. The splendid and dedicated work of the appropriations committees have greatly assisted these efforts. The result is that instead of the permanent $15 billion increase in the debt ceiling, which was believed to be necessary last year, only a temporary $6 billion increase is now required. The Secretary of the Treasury has given me his assurance that the Federal Government will be able to meet its obligations during this fiscal year if this temporary increase is provided, assuming that present estimates of receipts and expenditures remain substantially correct.

Lower than this temporary $6 billion increase, we cannot go. This fact is demonstratable by simple arithmetic. The total debt on August 2, 1954, was $274.1 billion and the cash on hand was $5.9 billion. The Treasury estimates that expenditures between now and January 15, 1955, will exceed receipts by nearly $9 billion. This means that without any change in the debt limit we would, by January 15, have no cash balance and would still have more than $2 billion of bills unpaid. These, of course, are only estimates and may be wrong to the extent of $3 billion one way or the other. Unless we adopt the temporary $6 billion increase in the national debt ceiling it is likely that the Treasury would not be in a position to pay the bills of the United States Government between now and next June 30.

We have a duty to protect the credit of the United States. It is because we must protect this credit that we must approve H. R. 6672. However, in approving only this temporary and limited increase, we will give evidence of our great concern over the continuance of deficit financing and of our desire to bring spending under control.

The temporary character of the increase requested means that at the next session of Congress we will have an opportunity to review the entire expenditure picture in the light of the then existing international conditions so as to insure that proper action can be taken to protect the interests of the Nation and its citizens.

(Mr. COOPER asked and was given permission to revise and extend his remarks.)

Mr. COOPER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, I feel that I owe it to the House as well as to myself to make a clear, brief statement about this bill.

While I have not checked the RECORD, I believe it is fair to say that during the last year, the first year of the present Eisenhower administration, I think I supported the President more consistently than most members of his own party in this House. I believe I supported him more consistently than some of the most prominent members of his own party here in this House. I felt that he was entitled to that support. Of course, most of the measures recommended by him were continuations of previous measures that had been passed by Democratic administrations.

It was my privilege to have been called to the White House, invited there for a breakfast, during the closing days of the last session of Congress. It will be remembered that the leadership on both sides of the aisle of the House and the Senate, and the chairman and ranking minority member of the Committee on Ways and Means and of the Senate Finance Committee were invited to that conference at the White House to discuss the question of the increase in the debt limit. It is not my intention to undertake to quote the President or the Secretary of the Treasury or any of those who participated in that White House conference, but I do feel that it is only fair for me to state to this House in substance and in effect the information that was given us on that occasion. As I said a moment ago, I believe in fairness to the House I should make this clear, brief statement. Information was given us there by the Secretary of the Treasury that the debt limit had to be increased, and he urged a permanent increase of $15 billion. He stated that there were very important refinancing operations which had to be made during October and November of last year along with a dropoff in corporation tax collections, and that he had to have this increase in the debt limit. He stated that if the situation should develop that a bill against the Federal Government should not be paid when it was presented to the pay window, that information would go out like an electric flash to the financial institutions of this country, and to the world, for that matter, and would result in a panic. That was in substance the information that was given us as a basis for the insistence that the debt limit should be permanently increased $15 billion. The President told us that if legislation was not passed before the close of the last session of Congress, he would call a special session about September because it would have to be acted upon. I thought the Secretary of the Treasury knew what he was talking about. I thought the President of the United States meant what he said. They are primarily responsible for the fiscal affairs of our Government. I accepted their information and yielded to their pleas and I came back here and supported the bill in the Committee on Ways and Means. I spoke for the passage of the bill here in the House. The House passed the bill, as requested by the President and the administration. It went to the other body, and now it is finally back here amended—it has not become law yet. More than a year has passed. They got along without the increase over the present debt limit. We did not have the panic which was predicted, and the President did not call a special session of Congress. That is the situation which now causes me considerable doubt. I have the doubt in my mind as to whether they know more about what they are talking this year than they did a year ago. That was the situation which was presented to us then. Now the request is made that we concur in the Senate amendment, which is to increase the debt limit temporarily by $6 billion instead of the permanent increase of $15 billion, which we were told a year ago was needed to take care of the situation.

I do not feel like assuming the responsibility of objecting to this request or opposing this increase of the debt limit because, frankly, I do not know what may happen. The predictions which were made a year ago might possibly materialize this year, and I would not want to assume any part of the responsibility for anything of that kind happening. But I do feel, in view of the experience that we have had with this measure, there is a justifiable ground for considerable doubt. But, I shall not oppose this motion to suspend the rules and pass this resolution. I feel that we probably have no other choice as responsible legislators in face of the request and urgings of those responsible for our fiscal affairs.

Mr. RAYBURN. Mr. Speaker, will the gentleman yield?

Mr. COOPER. I yield.

Mr. RAYBURN. Talk about confusion—to say this is a temporary increase in the debt limit—what does "temporary" mean? If it means increasing the debt limit for a year, that is one thing. But suppose the one year passes? What is going to happen then? Are we automatically going back to the $275-billion debt limit? What is going to be the situation?

Mr. COOPER. I think the distinguished gentleman from Texas [Mr. PATMAN] asked a very appropriate question along that line of the chairman of the Committee on Ways and Means. Suppose the debt limit has reached $280 billion by June 30, 1955, which is the

time for which this extension applies, suppose that is the amount of the public debt on June 30, 1955; it is contemplated under this that the public debt will have gone back down below the present ceiling of $275 billion. But suppose that has not happened, then what is to occur? There is the debt. Under this limitation there would not be any authority to support that amount of public debt. There is a question, I think, that was very properly asked, and of course the distinguished chairman of the Committee on Ways and Means simply said that the debt will be back below that figure by that time. It is my guess that we will find that this increase will become a permanent one.

Mr. RAYBURN. That might be anybody's guess.

Mr. COOPER. Certainly.

Mr. RAYBURN. It is bound to be a guess.

Mr. COOPER. Then, in response to a question asked by the distinguished gentleman from New York, [Mr. MULTER], as to the consideration given to this resolution that is now presented here, on which a motion to suspend the rules and pass it has been made, it has not even been considered by the Committee on Ways and Means. Not only have no hearings been held, no information been given the committee, but the committee had not even met to consider this resolution.

The SPEAKER. The time of the gentleman from Tennessee has again expired.

Mr. COOPER. I reserve the remainder of my time, Mr. Speaker.

Mr. REED of New York. Mr. Speaker, I yield 5 minutes to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. Mr. Speaker, first of all I want to express my appreciation for the attitude of the gentleman from Tennessee [Mr. COOPER], as just expressed. I was present when those statements were made to us. I cannot agree with him, however, in his apparent finding that there has been a serious miscarriage of the predictions that were made. The fact of the matter is, this has not been political, at least not until recently, and not too political then, and I do not want to make it that way. We took over, and we had a situation that confronted us, with our obligations bouncing up against the debt ceiling. In view of that circumstance we were asked to increase the debt ceiling. I did what I could to bring that about and, as the gentleman from Tennessee [Mr. COOPER] said, he assisted us, and we enacted an increase in the limit at that time. A number of things have transpired since. As far as I am concerned, I think everybody acted in good faith. I think at times no one can tell what the situation will be next June or July, and no one could be absolutely sure at that time, but several things have happened, and they might well be pointed out.

In the first place, the Secretary of the Treasury has said a number of times that the failure in the other body to go along with the increase in the debt limit necessitated certain different operations in the Treasury with respect to financing and refinancing that cost us money; operations that could have been carried on more economically if the Treasury had not been operating under the $275 billion limit. Certainly I think it is to be said to the credit of everyone here who has sought to hold down the expenditures of the Government that we have been able to keep the expenditures down more than some people thought we might be able to keep them down. Those economies, of course, result in a better situation as far as the overall Federal national public debt is concerned. Today it is a practical matter which confronts us. Without mentioning names of anyone in the other body, certainly we have all read the papers enough to know that there were certain objections made over there to an increase in the debt ceiling. Everyone wants to keep down the debt limit if we can, and everyone wants to stay within that limit if we can, but at the same time there is no magic in that limit, because when the time comes that the Federal Government has to pay bills, even out of borrowed money, it has got to pay them. I am happy that a panic did not come about. I am happy that we were able to meet our bills without any trouble. We have got to meet them through the coming fiscal year. In my opinion, the fact that the other body has sent to us this amendment for an increase justifies the action that was taken in the House of Representatives last year.

I think it clearly indicates the necessity of our conforming to that action and meeting the responsibility which is ours to see to it that our Government's fiscal situation is stable and sound. Certainly I would not want to take the responsibility for going along with anything different from that.

I hope this increase can be temporary. I hope the revenues can be brought into line with expenditures, may I say to the gentleman from New York, as he expressed the hope, so that this will in fact be temporary. But if at the time it would expire the obligations of the Federal Government for whatever reason—and it might be a very serious one—were to be above the limit as here fixed, then, of course, the Congress of the United States would have no alternative but to continue that increase in the debt limit. So I sincerely hope that this amendment will be concurred in. It is true that hearings have not been held, but we are all familiar with the situation and I think we are in position to vote on this motion.

Mr. COOPER. Mr. Speaker, I yield 4 minutes to the gentleman from Texas [Mr. PATMAN].

NATIONAL DEBT LIMIT

Mr. PATMAN. Mr. Speaker, I opposed increasing the debt limit from $275 billion to $290 billion when the question was up about a year ago. I opposed it because the Government had about $9 billion idle and unused in the commercial banks.

I am not opposed to the commercial banks; I am in favor of our privately owned commercial banking system. In addition to that, I want that system to be a profitable system, to make money, because we must have a good banking system. Our capitalistic economy which we believe is the best in the world could not function without a good banking system. Banks are indispensable. I do not want to do anything that will harm our present system, but I do believe some improvements can be made in the interest of the country and the banks. I am not advocating any change that would prohibit the banks from operating at a fair profit.

Mr. WOLCOTT. Mr. Speaker, will the gentleman yield?

Mr. PATMAN. I yield to the gentleman from Michigan.

Mr. WOLCOTT. Should not the gentleman say that the highest the Government has had in the commercial banks is $9 billion, not the average?

Mr. PATMAN. Yes; that is the highest in 1953. It so happened that the day the question came up the report I received was $9 billion.

Mr. WOLCOTT. The average is something like $6 billion.

Mr. PATMAN. At this time it is about $4,500,000,000.

That is all right if it is absolutely necessary to have that much in private banks but I prefer to help the banks in another way if it is necessary to help them. The people should not be required to pay up to 3¼ percent interest on money deposited in banks that is idle and unused. That money is not even subject to check under present practices of the United States Treasury; it is not within reach of the United States Treasury.

It is contended that the banks should have these deposits to offset expenses incurred in tax collections and bond selling campaigns for the Federal Government. I am impressed with this argument but I believe the banks should be aided for these services by adequate compensation being paid by the Government rather than through this uncertain, haphazard, unbusinesslike method. Banks can get money from the Federal Reserve banks to tide them over a tight period during tax collections and bond sales at a very low—almost an insignificant—rate of interest for the time the money is needed. Usually a short time. So why allow billions of dollars to remain idle and unused in these banks over long periods of time—in fact continuously—when the taxpayers are forced to pay 2, 2½, or 3¼ percent interest on it.

In practice when that money is needed by the Government the banks are called on to deposit a certain percentage of it in the nearest Federal Reserve bank and the Federal Reserve bank is checked on; so why keep this money idle and unused in more than 11,000 commercial banks of the country just to help the banks? Particularly when it is very expensive to the Government.

I am not opposing helping the banks; it is all right to help the banks, but I want to do it in another way if it is necessary to help them. We should not do it in this manner. This is not the right way to do it. We have gone ahead the past year and we have not had to raise this debt limit. We have gotten by because part of that money that was

idle and unused in the commercial banks has been used. There is at least $4½ billion in the same banks today. I am not so sure that it would be necessary to raise the debt limit now if that money were to be used. If it is contemplated by the Secretary of the Treasury to keep $4½ or $5 billion in the banks then it is necessary to raise this debt limit, but I want to say that it will be more expensive to the taxpayer by the interest he will have to pay on obligations that are caused by increasing this national debt.

The truth is the debt should be increased if necessary. I do not object to that. It would be dishonest, at least intellectually dishonest, for a Member of Congress to vote for appropriations that when paid will increase the amount of money that will be allowed under the national-debt limit, and then not vote to raise the national-debt limit. I think we are obligated to vote to increase the debt limit when it is necessary and I shall be very glad to do that; but I do not intend to vote to increase it when it is not necessary. I want to be shown that it is necessary. Let us find out. Is it contemplated here that the Secretary of the Treasury wants to keep a balance of $4½ or $5 billion in the commercial banks, upon which he does not check at all, which is not used at all? If it is necessary to raise the debt limit to do that I am opposed to such action. For that reason I will vote against this bill.

I would like to know what the facts are. We do not know what the facts are. I hope this bill goes to conference or goes to the committee and consideration is given to that part of it.

Mr. REED of New York. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I have listened with a great deal of interest to the comments that have been made here with reference to this matter. I want to say what you all know—that we represent the greatest Government in the world. We are carrying on the greatest fiscal affairs of any country in the world. We know the present heavy burden that is being carried in this country because of past wars and the present unsettled world conditions.

What we have to do is to take the word of the people who come to us and testify. That is what we did last year. It was not for an individual such as myself or, so far as I know, any individual on this floor, to take the responsibility of endangering the credit of this country by not agreeing with this temporary increase in the debt limit on the ground that the full, permanent increase requested last year has not proven completely necessary. That request last year was based upon the facts as honest men saw them at that time. We took the right action last year and I think we should take the right action today.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New York.

Mr. KEATING. Mr. Speaker, I do not think the RECORD should remain silent at this point on the great contribution in this field which has been rendered by the gentleman from New York [Mr. REED]. We are all very proud of the work he has done.

Mr. REED of New York. I thank the gentleman.

Mr. COOPER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, we all respect the distinguished chairman of the Ways and Means Committee and each and every member thereof. No disrespect is intended if we take a position contrary to that which they recommend when they make a recommendation under circumstances that prevail here this morning.

On July 31, 1953 we had this same bill brought before us. At that time the only thing the committee had done was to conduct an executive session of the committee. There was an attempt to create an aura of secrecy about what transpired there, only to find out that the very information given to the committee in executive session was released to the newspapers that same day by the Secretary of the Treasury.

At that time I asked four distinct questions. Time does not permit me to repeat them now but they are in the RECORD. I concluded my remarks at that time by saying, "Without a direct and complete answer to each of these questions no Member of this House should be requested to vote for this bill."

None of those questions have been answered and no hearings have been held with a view to acquiring the answers. The bill now comes back here, again in the closing hours of the session, and you are told: Please pass the bill, we need it.

That is not the way for responsible legislators to act. If there is any real need for this bill, let us have a hearing. Let the Secretary of the Treasury in public hearing, as has been done in every previous instance when we raised the public debt limit, tell the committee and the Membership of the House precisely why we need the increase. Let us have all the pertinent and necessary questions answered. Then let us act deliberately, knowing what we are doing. You are now being asked to follow blindly what the Secretary of the Treasury has said, and even that is not told to you in any written communication or in any House committee report. You are simply told: The administration says it needs this bill, so please pass it.

That is not the way for a deliberative body to act.

Thirteen months ago this administration told this Congress that if we did not increase the debt limit by $15 billion a financial panic could be expected before the calendar year was out. The calendar year expired without such a panic. In fact the entire fiscal year has expired and we have started upon a new fiscal year without any panic.

I can understand how embarrassing it might be for the Secretary of the Treasury to come before this Congress and explain why his dire prediction did not come true when the Congress failed to follow his advice.

But after such a poor prognostication this Congress has no right to act upon this bill without a full and complete explanation. Without a full and factual disclosure of the fiscal affairs of our Government with ample time to digest and deliberate upon them, we have no right to enact this bill.

Those of our colleagues who were scared $15 billion worth 13 months ago, only to find their fears were groundless, ought not to be scared $6 billion worth now.

The bait that this is only temporary is a complete illusion. If the national debt is increased to $281 billion no amount of words can make that debt temporary. Only payment can wipe it out or reduce it.

To the four unanswered questions I asked last year I add this question: Is the Secretary of the Treasury afraid to appear before a congressional committee because he cannot tell this Congress that an increase in the debt limit can be reduced? Before I vote for this bill. I want my questions answered.

(Mr. MULTER asked and was given permission to devise and extend his remarks).

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks in the RECORD prior to the vote on the pending motion.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Speaker, you will recall last year when we were called upon to consider the question of permanently raising the debt ceiling that I voted against the bill as it passed the House at that time. You perhaps will also recall that just prior to the vote on final passage I offered a motion to recommit the bill with instructions to provide for a $15 billion temporary increase in the debt ceiling. At that time I was impressed, as was my colleague, the gentleman from Tennessee [Mr. COOPER], and others, with the necessity of retaining the fiscal solvency of the Federal Government and avoiding the possibility of a panic caused by failure of the Government to pay its obligations as they were presented. I was convinced at that time, however, that the present administration was sincere in what it had said it hoped to do, and that was to bring about a reduction in the public debt within the 2-year period covered in my motion to recommit. This is an end which we all have been seeking. On the basis of this I thought enough of the idea of a temporary increase that I discussed it with some of the leadership on the other side. The idea was not acceptable to the Secretary of the Treasury. It was not acceptable to some Members of the other body with whom I discussed it. They said that the idea that any temporary increase in the public debt could be made was really a figment of the imagination—that at any

time we raised the ceiling and permitted the Federal Government to issue obligations under a temporary increase, that we might as well recognize that that increase would become a permanent one.

Now, today I am going to vote for the Senate amendment. I am not going to vote for it, however, Mr. Speaker, with the thought in mind that the public debt will not, on June 30, 1955, be in excess of $275 billion. I am going to vote for it even though I know that the debt on June 30, 1955, or I can be almost certain that the debt on that date will be in excess of $275 billion, for the reason that prompted the gentleman from Tennessee [Mr. COOPER], the gentleman from Texas [Mr. RAYBURN], and others to vote for the $15 billion increase last year—the fiscal solvency of our Government.

Now, why do I say that? If we are spending more money in this fiscal year than we are taking in in revenue, even the fact that we will get much more taxes in March and June from corporations than we get in the last half of the year will not save us from the necessity of a permanent debt increase. We may be able to get by without a permanent debt increase for this present fiscal year, but when we begin to operate in the coming fiscal year we might as well recognize now that the debt will have to be in excess of $275 billion on a permament basis unless we do better than we have done. And I give heed to my friends on the Committee on Appropriations for the effort they have made in this fiscal year.

I am going to vote for the Senate amendment even though I realize full well that we may be creating a situation for a permanent debt increase later; that this may not be just a temporary debt increase. I am now convinced that those with whom I discussed the matter a year ago were right and that there is really no such thing as a temporary increase in the debt ceiling. I am going to do it because I am fearful and I think the Members of the House are likewise fearful of the consequences of not raising the ceiling with the debt at its present level and with the balances on hand at the level they now are. I am not urging the Members to vote for the temporary increase, but I urge you to seriously consider what the consequences might be if we do not increase the debt ceiling, and remind you of the conditions and possibilities that the Secretary of the Treasury described over a year ago which might arise.

THE GIMMICK ADMINISTRATION

Mr. LESINSKI. Mr. Speaker, the present administration has been far from successful in carrying out the multitude of campaign promises which helped elect it.

The "dynamic progressive" foreign policy of the Republicans has failed to stop the Communists, while apparently succeeding in creating disunity and confusion among our allies. Food prices paid by the housewife have risen steadily and remain near an all-time high despite a sharp decline in prices received by the farmer. The Republicans have given away billions in national assets to special interests, but failed to balance the budget and increased the national debt instead of reducing it.

In the fact of such a record of broken promises, it is not surprising that this administration has become the all-time champion in the art of using public relations gimmicks and doctored figures to confuse the people and cover up their own failures.

Postmaster General Summerfield is one of the outstanding practitioners of the new profession of governmental doubletalk. A good example is his boast of saving the taxpayer a "million dollars every working day" in fiscal 1954 through "economy and modern business techniques." He bases this claim on a supposed reduction of the postal deficit to $437 million instead of the $746 million estimated deficit in former Postmaster General Donaldson's preliminary figures, a difference of $309 million. Mr. Summerfield conveniently neglects to mention, however, that $78 million was saved by President Truman's decision not to restore two deliveries a day. Since Mr. Summerfield also benefited by $240 million in increased rates and transfer of airmail subsidies, he should have been able to reduce the deficit by $318 million instead of only $309 million. If Mr. Summerfield's estimates had been correct, his "savings" would have cost the taxpayers only $9 million, but the Treasury Department now reports that he underestimated his deficit by $25 million. So it appears that Mr. Summerfield's much publicized "economy and modern business technique" actually cost the taxpayer an extra $34 million last year.

Not to be outdone by the Postmaster General, some of the other "idea" men in the Eisenhower administration have figured out an equally clever way to reduce the national debt by $12 billion, by a simple bookkeeping gimmick. Actually, the Federal deficit is $18 billion more than when Harry S. Truman was President.

In spite of all the bookkeeping juggling we now have to increase the national debt limit an additional $6 billion. This certainly is an indication that the budget has not been balanced and that the outgo from the Federal Treasury is so much greater than the income.

Mr. GROSS. Mr. Speaker, let the RECORD show that I am opposed to this proposed increase in the debt limit. And let the RECORD further show that I am one of those who tried to obtain a rollcall vote on this important issue.

Mr. Speaker, it is childish for anyone to argue in behalf of this proposal on the grounds that it is only temporary. Once the limitation is raised, the Federal debt will go higher, stay higher, and the next Congress will be asked to confirm it.

Soon to come before the House will be the conference report on the foreign-spending bill which will make available some $13 billion in further handouts to foreigners. I opposed the authorization bill for this purpose and I opposed the appropriations knowing full well that here was one of the most logical places to cut billions of dollars and avert a further increase in the debt.

I am disappointed beyond measure that this administration does not make a serious attempt to bring spending into balance with income and stop these deficits and increases in the Federal debt. I regret that this administration takes the easy way out by simply lifting the lid and authorizing the borrowing of more money. It is the road to disaster.

The SPEAKER. The question is, Shall the rules be suspended and the resolution be agreed to?

The question was taken; and the Speaker announced that two-thirds had voted in favor of the resolution.

Mr. ROGERS of Texas. Mr. Speaker, on that question I demand the yeas and nays.

The yeas and nays were refused.

Mr. ROGERS of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and fifty-seven Members are present, a quorum.

The question is, Shall the rules be suspended and the resolution be agreed to?

The question was taken; and on a division (demanded by Mr. GROSS) there were—ayes 193, noes 31.

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

In accordance with the terms of the resolution, the bill (H. R. 6672) was taken from the Speaker's table, and the following Senate amendment was concurred in:

Strike out all after the enacting clause and insert "That during the period beginning on the date of enactment of this act and ending on June 30, 1955, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by $6 billion."

A motion to reconsider was laid on the table.

CIVIL SERVICE RETIREMENT

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3627) to amend the Civil Service Retirement Act, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

Be it enacted, etc., That section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any provision of law to the contrary, title to annuity payable from the civil-service retirement and disability fund shall not arise from any separation unless the officer or employee so separated has, within the 2-year period immediately preceding such separation, completed at least 1 year of creditable civilian service during which he was subject to this act. Any annu-

Public Law 686 - 83d Congress
Chapter 1037 - 2d Session
H. R. 6672

AN ACT

All 68 Stat. 895.

To provide for a temporary increase in the public debt limit.

Be it enacted by the Senate and House of Representatives of the Jnited States of America in Congress assembled, That during the)eriod beginning on the date of enactment of this Act and ending on June 30, 1955, the public debt limit set forth in the first sentence of ection 21 of the Second Liberty Bond Act, as amended, shall be tem- 49 Stat. 21.
:arily increased by $6,000,000,000. 31 USC 757b.

Approved August 28, 1954.